UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

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

For the fiscal year ended December 31, 2025
or

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

Commission file number 001-34383

Seven Hills Realty Trust

(Exact Name of Registrant as Specified in Its Charter)

Maryland	**20-4649929**
(State of Organization)	(IRS Employer Identification No.)

Two Newton Place, 255 Washington Street, Suite 300, Newton, MA 02458-1634
(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, Including Area Code **617-332-9530**
Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	**Trading Symbol**	**Name of each exchange on which registered**
Common stock, $0.001 par value per share	SEVN	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: **None**

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

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

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

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

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

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b). ☐

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

The aggregate market value of the voting common shares of beneficial interest, $0.001 par value, or common shares, of the registrant held by non-affiliates was approximately $152.8 million based on the $12.07 closing price per common share on The Nasdaq Stock Market LLC on June 30, 2025. For purposes of this calculation, an aggregate of 2,281,735 common shares held directly by, or by affiliates of, the trustees and the executive officers of the registrant have been included in the number of common shares held by affiliates.

Number of the registrant's common shares of beneficial interest, $0.001 par value per share, outstanding as of February 13, 2026: 22,596,891.

References in this Annual Report on Form 10-K to the “Company”, “SEVN”, “we”, “us”, the “Trust” or “our” mean Seven Hills Realty Trust and its consolidated subsidiaries unless otherwise expressly stated or the context indicates otherwise.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information required by Items 10, 11, 12, 13 and 14 of Part III of this Annual Report on Form 10-K is incorporated by reference to our definitive Proxy Statement for the 2026 Annual Meeting of Shareholders to be filed with the Securities and Exchange Commission within 120 days after the fiscal year ended December 31, 2025.

Warning Concerning Forward-Looking Statements

This Annual Report on Form 10-K contains statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other securities laws. These statements include words such as “believe”, “could”, “expect”, “anticipate”, “intend”, “plan”, “estimate”, “will”, “would”, “should”, “may” and negatives or derivatives of these or similar expressions. These forward-looking statements include, among others, statements about: the disposition of our real estate owned; economic, market and industry conditions; geopolitical uncertainty; demand for commercial real estate, or CRE, debt and opportunities that may exist for alternative lenders like us; the diversity of our loan investment portfolio; our future lending activity and opportunities; the ability of our borrowers to achieve their business plans; our leverage levels and possible future financings; our liquidity needs and sources; and the amount and timing of future distributions.

Forward-looking statements reflect our current expectations, are based on judgments and assumptions, are inherently uncertain and are subject to risks, uncertainties and other factors, which could cause our actual results, performance or achievements to differ materially from expected future results, performance or achievements expressed or implied in any forward-looking statements. Some of the risks, uncertainties and other factors that may cause our actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements include, but are not limited to, the following:

- Our ability to execute our business strategy and compete in the CRE lending market;
- The ability of our manager, Tremont Realty Capital LLC, or Tremont, to make suitable investments for us, including through deployment of capital from our equity rights offering completed in December 2025, to monitor, service and administer our existing investments and to otherwise implement our investment strategy and successfully manage us;
- Our borrowers’ ability to successfully execute their business plans, including our borrowers’ ability to manage and stabilize properties;
- Our ability to diversify our investment portfolio based on industry and market conditions and whether the diversity and other characteristics of our loan portfolio will benefit us to the extent we expect;
- The impact of inflation, geopolitical instability and tension, interest rate fluctuations, new trade policies, tariffs and economic recession or downturn, and market trends (such as reduced demand for office or retail space) on the CRE industry generally and specific CRE sectors applicable to us and our investments and lending markets, as well as on our borrowers;
- Fluctuations in interest rates and credit spreads may reduce the returns we may receive on our investments and increase our borrowing costs;
- Fluctuations in and overall market demand for CRE debt and the volume of available opportunities in the CRE debt market, including the middle market;
- Volatility in the capital markets;
- Our ability to utilize our existing available repurchase and credit facilities and to obtain additional capital to enable us to attain our target leverage, to make additional investments and to increase our potential returns, and the cost of obtaining any additional capital;
- Our ability to pay distributions to our shareholders and sustain or increase the amount of such distributions;
- The amount and timing of cash flows we receive from our investments;
- Our ability to maintain and improve a favorable net interest spread between the interest we earn on our investments and the interest we pay on our borrowings;
- The extent to which we earn and receive origination, extension, exit, prepayment or other fees from our investments;
- Yields that may be available to us from mortgages on middle market transitional CRE;
- The duration and other terms of our loan agreements with borrowers and our ability to match our loan investments with our repurchase lending arrangements;

- The credit qualities of our borrowers;
- Defaults by our borrowers and the ability and willingness of our borrowers to repay our investments in a timely manner or at all;
- The extent to which our borrowers' sponsors provide support to our borrowers or us regarding our loans;
- Our ability to maintain our exemption from registration under the Investment Company Act of 1940, as amended, or the 1940 Act;
- Events giving rise to increases in our credit loss reserves;
- The ability of Tremont to arrange for the successful management of real property that we own as a result of foreclosure of loans secured by such property and our ability to sell those real properties at prices that allow us to recover amounts we invested;
- Changes in the availability, sourcing and structuring of CRE lending;
- Compliance with, and changes to, U.S. federal, state or local laws or regulations, accounting rules, tax laws or similar matters;
- Limitations imposed on our business and our ability to satisfy complex rules in order for us to maintain our qualification for taxation as a real estate investment trust, or REIT, for U.S. federal income tax purposes;
- Actual and potential conflicts of interest with our related parties, including our Managing Trustees, Tremont, The RMR Group LLC, or RMR, and others affiliated with them;
- Acts of terrorism, outbreaks of pandemics, or other public health safety events or conditions, war or other hostilities, global climate change or other manmade or natural disasters beyond our control; and
- Other matters.

These risks, uncertainties and other factors are not exhaustive and should be read in conjunction with other cautionary statements that are included in our periodic filings. The information contained elsewhere in this Annual Report on Form 10-K or in our other filings with the Securities and Exchange Commission, or SEC, including under the caption "Risk Factors" herein or therein, or incorporated herein or therein, identifies other important factors that could cause differences from our forward-looking statements. Our filings with the SEC are available on the SEC's website at www.sec.gov.

You should not place undue reliance upon our forward-looking statements.

Except as required by law, we do not intend to update or change any forward-looking statements as a result of new information, future events or otherwise.

Statement Concerning Limited Liability

The Declaration of Trust of Seven Hills Realty Trust, a copy of which, together with any amendments or supplements thereto, is duly filed with the State Department of Assessments and Taxation of Maryland, provide that the name Seven Hills Realty Trust refers to the trustees collectively as trustees, but not individually or personally. No trustee, officer, shareholder, employee or agent of Seven Hills Realty Trust shall be held to any personal liability, jointly or severally, for any obligation of, or claim against, Seven Hills Realty Trust. All persons or entities dealing with Seven Hills Realty Trust, in any way, shall look only to the assets of Seven Hills Realty Trust for the payment of any sum or the performance of any obligation.

SEVEN HILLS REALTY TRUST

2025 FORM 10-K ANNUAL REPORT

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PART I

Item 1. Business

Our Company. Seven Hills Realty Trust is a Maryland REIT that focuses primarily on originating and investing in floating rate first mortgage loans that range from $15.0 million to $75.0 million, secured by middle market transitional CRE properties that have values up to $100.0 million. We define transitional CRE as commercial properties subject to redevelopment or repositioning activities that are expected to increase the value of the properties.

As of December 31, 2025, we had a portfolio of 24 floating rate first mortgage loans with aggregate loan commitments of $724.5 million with a weighted average maximum maturity of 2.6 years, a weighted average coupon rate and a weighted average all in yield of 7.52% and 7.92%, respectively, and a weighted average interest rate floor of 2.81%.

We operate our business in a manner consistent with our qualification for taxation as a REIT under the Internal Revenue Code of 1986, or the IRC. As such, we generally are not subject to U.S. federal income tax, provided that we meet certain distribution and other requirements. We also operate our business in a manner that permits us to maintain our exemption from registration under the 1940 Act.

Our principal executive offices are located at Two Newton Place, 255 Washington Street, Suite 300, Newton, Massachusetts 02458-1634, and our telephone number is 617-332-9530.

Our Investment and Leverage Strategies. Our primary investment strategy is to balance capital preservation with generating attractive, risk adjusted returns by creating customized loan structures tailored to borrowers' specific business plans for the underlying collateral properties. To this end, the loans that we target for origination and investment generally have the following characteristics:

- first mortgage loans with principal balances ranging from $15.0 million to $75.0 million;
- stabilized loan to value ratios, or LTVs, of 75% or less;
- terms of five years or less;
- floating interest rates based on the Secured Overnight Financing Rate, or SOFR, plus a margin that is competitive in the market;
- non-recourse to sponsors (subject to customary non-recourse carve-out guarantees); and
- secured by middle market transitional CRE across the United States that are equity owned by well capitalized sponsors with experience investing in the relevant property type.

We invest in floating rate first mortgage loans that provide bridge financing on transitional CRE properties. These investments typically are secured by properties undergoing redevelopment or repositioning activities that are expected to increase the value of the properties. We fund these loans over time as the borrowers' business plans for the properties are executed. Our loans secured by transitional CRE are typically bridge loans that are refinanced with the proceeds from other CRE mortgage loans or property sales. We expect to receive origination fees for bridge loans we make and we may also receive exit fees, extension fees, modification or similar fees in connection with some of our bridge loans.

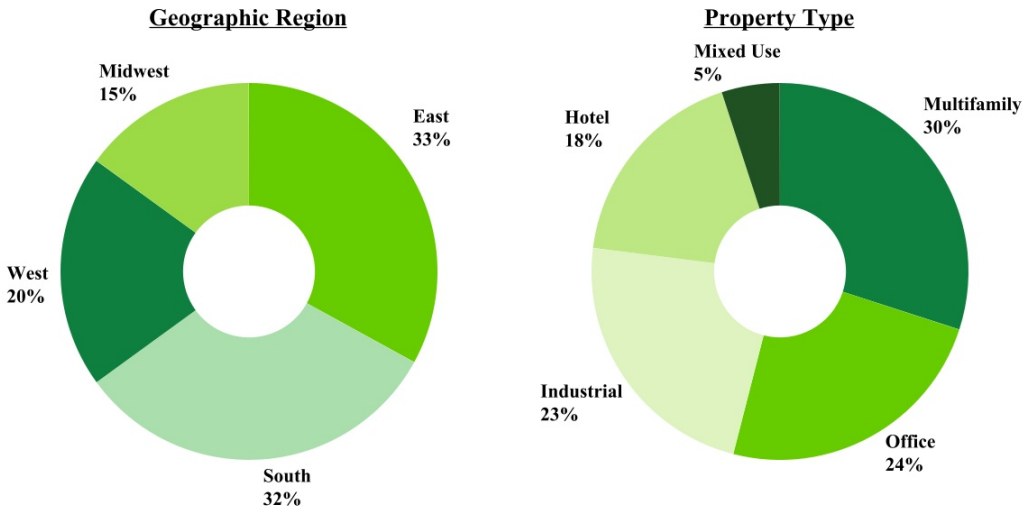
Bridge loans may lead to future investment opportunities for us, including making mortgage loans to repay our transitional loans, otherwise known as "takeout mortgage loans." We may also originate or acquire subordinated and mezzanine loans, which are loans secured by junior mortgages on the underlying collateral property or loans secured by a pledge of the ownership interests of either the entity owning the property or a pledge of the ownership interests in the entity that owns the interest in the entity owning the property.

Our strategy to invest in floating rate first mortgage loans generally will result in an increase to our net income in periods of rising interest rates and a decrease to our net income in periods of declining interest rates. Decreases to our net income during periods of declining interest rates may be mitigated by active interest rate floors that are higher than the applicable benchmark index. As of December 31, 2025, 96.6% of our loan portfolio by principal outstanding had interest rate floors in place with a weighted average floor of 2.81%. As of December 31, 2025, SOFR was 3.69%, and as a result, seven of our loan investments had an active interest rate floor.

We generally seek to match the terms of our financing, including benchmark indices and duration, to the loans we originate and pledge as collateral. As of December 31, 2025, all amounts outstanding under our financing agreements pay interest at floating rates that are not subject to floors. We currently expect that our leverage, on a debt to equity basis, will generally be below a ratio of 3.5:1. As of December 31, 2025, our debt to equity ratio was 1.5:1.

We employ direct leverage, and we may employ structural leverage, on our first mortgage loan investments. Our direct leverage is from repurchase facilities and other secured financing facilities for which we may pledge our first mortgage loans as collateral. If we employ structural leverage, we expect it will involve the sale of senior interests in first mortgage loans, such as A-Notes, to third parties and our retention of B-Notes and other subordinated interests in the loans.

As of December 31, 2025, we had a portfolio of 24 loans held for investment with a total commitment of $724.5 million, of which $36.9 million remained unfunded. The charts below detail the geographic region and property type of the properties securing the loans in our portfolio by amortized cost as of December 31, 2025:



For further information regarding our loans held for investment, see Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and Note 3 to our Consolidated Financial Statements included in Part IV, Item 15 of this Annual Report on Form 10-K.

We believe that our investment and leverage strategies are appropriate for the current market environment. However, we may change our investment and leverage strategies from time to time to capitalize on investment opportunities at different times in the economic and CRE investment cycle. We believe that the flexibility of our investment and leverage strategies and the experience and resources of Tremont and its affiliates will allow us to take advantage of changing market conditions to preserve capital and generate attractive risk adjusted returns on our investments. Our investment and leverage strategies may be changed, amended, supplemented or waived at any time by our Board of Trustees without shareholder approval.

Our Financing Policies. To maintain our qualification for taxation as a REIT under the IRC, we must distribute at least 90% of our annual REIT taxable income (excluding capital gains) and satisfy a number of organizational and operational requirements. Accordingly, we generally will not be able to retain sufficient cash from operations to fund our loan originations or investments. Instead, we expect to fund our loan originations or investments by utilizing our existing debt facilities or other future financing arrangements, issuing debt or equity securities or using retained cash from operations that may exceed any distributions we make.

We will decide when and whether to issue equity or new debt depending upon market conditions and other factors. Because our ability to raise capital depends, in large part, upon market conditions, we cannot be sure that we will be able to raise sufficient capital to fund our growth strategies. We expect to repay our debts through repayments from our borrowers on loans held for investment.

We funded our loan originations to date using cash on hand and advancements under our debt facilities. For further information regarding our debt agreements and our financing sources and activities, see Note 5 to our Consolidated Financial Statements included in Part IV, Item 15 and Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources" of this Annual Report on Form 10-K.

Our Board of Trustees may change our financing policies at any time without a vote of, or notice to, our shareholders.

Competition. The financial services industry and CRE markets are highly competitive. We compete with a variety of banks, insurance companies, other financial institutions, specialty finance companies and public and private funds, including mortgage REITs, that Tremont, RMR or their subsidiaries currently, or may in the future, sponsor, advise or manage. Some of our competitors may have a lower cost of funds and greater financial and other resources than we have. Many of our competitors are not subject to the operating constraints associated with maintaining REIT status, SEC reporting compliance or maintaining an exemption from registration as an investment company under the 1940 Act.

For additional information about competition and other risks associated with our business, see Item 1A, "Risk Factors—We operate in a highly competitive market for investment opportunities and competition may limit our ability to originate or acquire our target investments on attractive terms or at all" in this Annual Report on Form 10-K.

Our Manager, Tremont Realty Capital LLC. Tremont manages our day to day operations, subject to the oversight and direction of our Board of Trustees. Tremont is an investment adviser registered with the SEC, that is owned by RMR, the majority owned operating subsidiary of The RMR Group Inc., or RMR Inc., a holding company listed on The Nasdaq Stock Market LLC, or Nasdaq.

RMR is an alternative asset management company that provides management services to a wide range of real estate assets, including CRE and related businesses. RMR or its subsidiaries also act as a manager to other publicly traded real estate companies, privately held real estate funds and real estate related operating businesses. Most of the CRE assets under management by RMR are middle market properties owned by four publicly traded equity REITs that are managed by RMR. As manager, RMR is responsible for implementing investment strategies and managing day-to-day operation of its managed companies, including the oversight of significant capital expenditure budgets for building improvements and property redevelopment.

As of December 31, 2025, RMR Inc. had over $37 billion of real estate assets under management, approximately 1,800 properties and 40 years of institutional experience in buying, selling, financing and operating CRE.

We believe that Tremont's relationship with RMR provides us with a depth of market knowledge that may allow us to identify high quality investment opportunities and to evaluate them more thoroughly than many of our competitors, including other commercial mortgage REITs. We also believe that RMR's broad platform provides us with access to its extensive network of real estate owners, operators, intermediaries, sponsors, financial institutions and other real estate related professionals and businesses with which RMR has historical relationships. We also believe that Tremont provides us with significant experience and expertise in investing in middle market transitional CRE.

As of February 13, 2026, the executive officers of RMR are: Adam Portnoy, president and chief executive officer; Christopher J. Bilotto, executive vice president; Matthew C. Brown, executive vice president, chief financial officer and treasurer; Yael Duffy, executive vice president; Lindsey A. Getz, executive vice president, general counsel and secretary; Matthew P. Jordan, executive vice president and chief operating officer; Jeffrey C. Leer, executive vice president; and John G. Murray, executive vice president. Messrs. Portnoy and Jordan are our Managing Trustees. Our President and Chief Investment Officer, Thomas J. Lorenzini, our Chief Financial Officer and Treasurer, Matthew C. Brown, and our Vice President, Jared R. Lewis, are officers and employees of Tremont and/or RMR.

For further information about these and other such relationships and related person transactions, see Item 1A, "Risk Factors—Risks Relating to Our Relationships with Tremont and RMR" and Notes 8 and 9 to our Consolidated Financial Statements included in Part IV, Item 15 of this Annual Report on Form 10-K.

Sustainability, Environmental and Climate Change Matters. We are managed by Tremont, a subsidiary of RMR. As such, many of the environmental, social and governance, or ESG, initiatives employed by RMR apply to us. RMR periodically publishes its Sustainability Report, which summarizes the ESG initiatives employed by RMR and its clients, including us. RMR's Sustainability Report may be accessed on the RMR Inc. website at www.rmrgroup.com/corporate-sustainability/default.aspx. The information on or accessible through RMR Inc.'s website is not incorporated by reference into this Annual Report on Form 10-K and should not be considered part of this report.

We are committed to responsibly managing risk and preserving capital. We consider the ESG characteristics of potential borrowers and collateral properties when evaluating investment opportunities, performing due diligence procedures and making capital allocation decisions. In addition to incorporating ESG diligence practices in our investment process, where available, we also share key ESG initiatives with Tremont and RMR, including corporate sustainability and environmental improvements at our office locations and diversity, equality and inclusion programs.

Investments in Human Capital. We have no employees. All services that would otherwise be provided to us by employees are provided or arranged by Tremont. As of December 31, 2025, RMR had nearly 900 employees, including Tremont's employees, located at its headquarters and more than 30 offices throughout the United States.

Corporate Citizenship. We seek to be a responsible corporate citizen and to strengthen the communities in which we operate. Tremont regularly encourages its employees to engage in a variety of charitable and community programs, including participating in a company-wide service day and charitable gift giving matching program.

Diversity & Inclusion. We value a diversity of backgrounds, experience and perspectives. As of December 31, 2025, our Board was comprised of seven Trustees, of which five were independent trustees. Our Board of Trustees is comprised of approximately 29% women and members of underrepresented communities. RMR is an equal opportunity employer, with all qualified applicants receiving consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, disability or protected veteran status.

Government Regulation. Our operations are subject, in certain instances, to supervision and regulation by state and federal governmental authorities, and may be subject to various laws and judicial and administrative decisions imposing various requirements and restrictions, which, among other things: (a) regulate credit granting activities; (b) establish maximum interest rates, finance charges and other charges; (c) require disclosures to customers; (d) govern secured transactions; (e) set collection, foreclosure, repossession and claims handling procedures and other trade practices; (f) govern privacy of customer information; and (g) regulate anti-terror and anti-money laundering activities.

In our judgment, existing statutes and regulations have not had a material adverse effect on our business. While we expect that additional new regulations in these areas will be adopted and existing regulations may change in the future, it is not possible at this time to forecast the exact nature of any future legislation, regulations, judicial decisions, orders or interpretations, nor their impact upon our future business, financial condition or our results of operations or prospects.

Internet Website. Our internet website address is www.sevnreit.com. Copies of our governance guidelines, our code of business conduct and ethics, or our Code of Conduct, and the charters of our audit, compensation and nominating and governance committees are posted on our website and also may be obtained free of charge by writing to our Secretary, Seven Hills Realty Trust, Two Newton Place, 255 Washington Street, Suite 300, Newton, Massachusetts 02458-1634. We also have a policy outlining procedures for handling concerns or complaints about accounting, internal accounting controls or auditing matters and a governance hotline accessible on our website that shareholders can use to report concerns or complaints about accounting, internal accounting controls or auditing matters or violations or possible violations of our Code of Conduct. We make available, free of charge, through the "Investors" section of our website, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, as soon as reasonably practicable after these forms are filed with, or furnished to, the SEC. Any material we file with or furnish to the SEC is also maintained on the SEC website, www.sec.gov. Security holders may send communications to our Board of Trustees or individual Trustees by writing to the party for whom the communication is intended at c/o Secretary, Seven Hills Realty Trust, Two Newton Place, 255 Washington Street, Suite 300, Newton, Massachusetts 02458-1634 or by email at secretary@sevnreit.com. Our website address and the website address of one or more unrelated third parties are included several times in this Annual Report on Form 10-K as textual references only and the information in any such website is not incorporated by reference into this Annual Report on Form 10-K or other documents we file with, or furnish to, the SEC. We intend to use our website as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. Those disclosures will be included on our website in the "Investors" section. Accordingly, investors should monitor our website, in addition to following our press releases, SEC filings and public conference calls and webcasts.

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following summary of material United States federal income tax considerations is based on existing law and is limited to investors who own our shares as investment assets rather than as inventory or as property used in a trade or business. The summary does not discuss all of the particular tax considerations that might be relevant to you if you are subject to special rules under U.S. federal income tax law, for example if you are:

- a bank, insurance company or other financial institution;
- a regulated investment company or REIT;
- a subchapter S corporation;
- a broker, dealer or trader in securities or foreign currencies;
- a person who marks-to-market our shares for U.S. federal income tax purposes;
- a U.S. shareholder (as defined below) that has a functional currency other than the U.S. dollar;
- a person who acquires or owns our shares in connection with employment or other performance of services;
- a person subject to alternative minimum tax;
- a person who acquires or owns our shares as part of a straddle, hedging transaction, constructive sale transaction, constructive ownership transaction or conversion transaction, or as part of a "synthetic security" or other integrated financial transaction;
- a person who owns 10% or more (by vote or value, directly or constructively under the IRC) of any class of our shares;
- a U.S. expatriate;
- a non-U.S. shareholder (as defined below) whose investment in our shares is effectively connected with the conduct of a trade or business in the United States;
- a nonresident alien individual present in the United States for 183 days or more during an applicable taxable year;
- a "qualified shareholder" (as defined in Section 897(k)(3)(A) of the IRC);
- a "qualified foreign pension fund" (as defined in Section 897(l)(2) of the IRC) or any entity wholly owned by one or more qualified foreign pension funds;
- a non-U.S. shareholder that is a passive foreign investment company or controlled foreign corporation;
- a person subject to special tax accounting rules as a result of their use of applicable financial statements (within the meaning of Section 451(b)(3) of the IRC); or
- except as specifically described in the following summary, a trust, estate, tax-exempt entity, governmental organization or foreign person.

The sections of the IRC that govern the federal income tax qualification and treatment of a REIT and its shareholders are complex. This presentation is a summary of applicable IRC provisions, related rules and regulations, and administrative and judicial interpretations, all of which are subject to change, possibly with retroactive effect. Future legislative, judicial or administrative actions or decisions could also affect the accuracy of statements made in this summary. We have not received a ruling from the U.S. Internal Revenue Service, or the IRS, with respect to any matter described in this summary, and we cannot be sure that the IRS or a court will agree with all of the statements made in this summary. The IRS could, for example, take a different position from that described in this summary with respect to our acquisitions, operations, valuations, restructurings or other matters, which, if a court agreed, could result in significant tax liabilities for applicable parties. In addition, this summary is not exhaustive of all possible tax considerations and does not discuss any estate, gift, state, local or foreign tax considerations. For all these reasons, we urge you and any holder of or prospective acquiror of our shares to consult with a tax advisor about the federal income tax and other tax consequences of the acquisition, ownership and disposition of our shares. Our intentions and beliefs described in this summary are based upon our understanding of applicable laws and regulations that are in effect as of the date of this Annual Report on Form 10-K. If new laws or regulations are enacted which impact us directly or indirectly, we may change our intentions or beliefs.

Your federal income tax consequences generally will differ depending on whether or not you are a "U.S. shareholder." For purposes of this summary, a "U.S. shareholder" is a beneficial owner of our shares that is:

- an individual who is a citizen or resident of the United States, including an alien individual who is a lawful permanent resident of the United States or meets the substantial presence residency test under the federal income tax laws;

- an entity treated as a corporation for federal income tax purposes that is created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or, to the extent provided in Treasury regulations, a trust in existence on August 20, 1996 that has elected to be treated as a domestic trust;

whose status as a U.S. shareholder is not overridden by an applicable tax treaty. Conversely, a "non-U.S. shareholder" is a beneficial owner of our shares that is not an entity (or other arrangement) treated as a partnership for federal income tax purposes and is not a U.S. shareholder.

If any entity (or other arrangement) treated as a partnership for federal income tax purposes holds our shares, the tax treatment of a partner in the partnership generally will depend upon the tax status of the partner and the activities of the partnership. Any entity (or other arrangement) treated as a partnership for federal income tax purposes that is a holder of our shares and the partners in such a partnership (as determined for federal income tax purposes) are urged to consult their own tax advisors about the federal income tax consequences and other tax consequences of the acquisition, ownership and disposition of our shares.

Taxation as a REIT

We have elected to be taxed as a REIT under Sections 856 through 860 of the IRC, commencing with our 2020 taxable year. Our REIT election, assuming continuing compliance with the then applicable qualification tests, has continued and will continue in effect for subsequent taxable years. Although we cannot be sure, we believe that from and after our 2020 taxable year we have been organized and have operated, and will continue to be organized and to operate, in a manner that qualified us and will continue to qualify us to be taxed as a REIT under the IRC.

As a REIT, we generally are not subject to federal income tax on our net income distributed as dividends to our shareholders. Distributions to our shareholders generally are included in our shareholders' income as dividends to the extent of our available current or accumulated earnings and profits. Our dividends are not generally entitled to the preferential tax rates on qualified dividend income, but a portion of our dividends may be treated as capital gain dividends or as qualified dividend income, all as explained below. In addition, pursuant to the deduction-without-outlay mechanism of Section 199A of the IRC, our noncorporate U.S. shareholders that meet specified holding period requirements are generally eligible for lower effective tax rates on our dividends that are not treated as capital gain dividends or as qualified dividend income. No portion of any of our dividends is eligible for the dividends received deduction for corporate shareholders. Distributions in excess of our current or accumulated earnings and profits generally are treated for federal income tax purposes as returns of capital to the extent of a recipient shareholder's basis in our shares, and will reduce this basis. Our current or accumulated earnings and profits are generally allocated first to distributions made on our preferred shares, of which there are none outstanding at this time, and thereafter to distributions made on our common shares. To the extent that such distributions exceed the basis of a U.S. shareholder's shares, the U.S. shareholder generally must include such distributions in income as long-term capital gain, or short-term capital gain if the shares have been held for one year or less. For all these purposes, our distributions include cash distributions, any in kind distributions of property that we might make, and deemed or constructive distributions resulting from capital market activities (such as some redemptions), as described below.

Our tax counsel, Sullivan & Worcester LLP, is of the opinion that we have been organized and have qualified for taxation as a REIT under the IRC for our 2020 through 2025 taxable years, and that our current and anticipated investments and plan of operation will enable us to continue to meet the requirements for qualification and taxation as a REIT under the IRC. Our tax counsel's opinions are conditioned upon the assumption that our leases, loan documents, declaration of trust, and all other legal documents to which we have been or are a party have been and will be complied with by all parties to those documents, upon the accuracy and completeness of the factual matters described in this Annual Report on Form 10-K and upon representations made by us to our tax counsel as to certain factual matters relating to our organization and operations and our expected manner of operation. If this assumption or a description or representation is inaccurate or incomplete, our tax counsel's opinions may be adversely affected and may not be relied upon. The opinions of our tax counsel are based upon the law as it exists today, but the law may change in the future, possibly with retroactive effect.

Given the highly complex nature of the rules governing REITs, the ongoing importance of factual determinations, and the possibility of future changes in our circumstances, neither Sullivan & Worcester LLP nor we can be sure that we will qualify as or be taxed as a REIT for any particular year. Any opinion of Sullivan & Worcester LLP as to our qualification or taxation as a REIT will be expressed as of the date issued. Our tax counsel will have no obligation to advise us or our shareholders of any

subsequent change in the matters stated, represented or assumed, or of any subsequent change in the applicable law. Also, the opinions of our tax counsel are not binding on either the IRS or a court, and either could take a position different from that expressed by our tax counsel.

Our continued qualification and taxation as a REIT will depend upon our compliance with various qualification tests imposed under the IRC and summarized below. While we believe that we have satisfied and will satisfy these tests, our tax counsel does not review compliance with these tests on a continuing basis. If we fail to qualify for taxation as a REIT in any year, then we will be subject to federal income taxation as if we were a corporation taxed under subchapter C of the IRC, or a C corporation, and our shareholders will be taxed like shareholders of a regular C corporation, meaning that federal income tax generally will be applied at both the corporate and shareholder levels. In this event, we could be subject to significant tax liabilities, and the amount of cash available for distribution to our shareholders could be reduced or eliminated.

If we continue to qualify for taxation as a REIT and meet the tests described below, then we generally will not pay federal income tax on amounts that we distribute to our shareholders. However, even if we continue to qualify for taxation as a REIT, we may still be subject to federal tax in the following circumstances, as described below:

- We will be taxed at regular corporate income tax rates on any undistributed "real estate investment trust taxable income," including our undistributed ordinary income and net capital gains, if any. We may elect to retain and pay income tax on our net capital gain. In addition, if we so elect by making a timely designation to our shareholders, a shareholder would be taxed on its proportionate share of our undistributed capital gain and would generally be expected to receive a credit or refund for its proportionate share of the federal corporate income tax we paid on our retained net capital gain.

- If we have net income from "prohibited transactions"—that is, dispositions at a gain of inventory or property held primarily for sale to customers in the ordinary course of a trade or business other than dispositions of foreclosure property and other than dispositions excepted by statutory safe harbors —we will be subject to tax on this income at a 100% rate.

- If we elect to treat property that we acquire in connection with a foreclosure of a mortgage loan or certain property that we dispose of as "foreclosure property," as described in Section 856(e) of the IRC, we may thereby avoid both (a) the 100% tax on gain from a resale of that property (if the sale would otherwise constitute a prohibited transaction) and (b) the inclusion of any income from such property not qualifying for purposes of the REIT gross income tests discussed below, but in exchange for these benefits we will be subject to tax on the foreclosure property income at the highest regular corporate income tax rate.

- If we fail to satisfy the 75% gross income test or the 95% gross income test discussed below, due to reasonable cause and not due to willful neglect, but nonetheless maintain our qualification for taxation as a REIT because of specified cure provisions, we will be subject to tax at a 100% rate on the greater of the amount by which we fail the 75% gross income test or the 95% gross income test, with adjustments, multiplied by a fraction intended to reflect our profitability for the taxable year.

- If we fail to satisfy any of the REIT asset tests described below (other than a de minimis failure of the 5% or 10% asset tests) due to reasonable cause and not due to willful neglect, but nonetheless maintain our qualification for taxation as a REIT because of specified cure provisions, we will be subject to a tax equal to the greater of $50,000 or the highest regular corporate income tax rate multiplied by the net income generated by the nonqualifying assets that caused us to fail the test.

- If we fail to satisfy any provision of the IRC that would result in our failure to qualify for taxation as a REIT (other than violations of the REIT gross income tests or violations of the REIT asset tests described below) due to reasonable cause and not due to willful neglect, we may retain our qualification for taxation as a REIT but will be subject to a penalty of $50,000 for each failure.

- If we fail to distribute for any calendar year at least the sum of 85% of our REIT ordinary income for that year, 95% of our REIT capital gain net income for that year and any undistributed taxable income from prior periods, we will be subject to a 4% nondeductible excise tax on the excess of the required distribution over the amounts actually distributed.

- If we acquire a REIT asset where our adjusted tax basis in the asset is determined by reference to the adjusted tax basis of the asset in the hands of a C corporation, under specified circumstances we may be subject to federal income taxation on all or part of the built-in gain (calculated as of the date the property ceased being owned by the C

corporation) on such asset. We generally do not expect to sell assets if doing so would result in the imposition of a material built-in gains tax liability; but if and when we do sell assets that may have associated built-in gains tax exposure, then we expect to make appropriate provision for the associated tax liabilities on our financial statements.

- Our subsidiaries that are C corporations, including our "taxable REIT subsidiaries", as defined in Section 856(l) of the IRC, or TRSs, generally will be required to pay federal corporate income tax on their earnings, and a 100% tax may be imposed on any transaction between us and one of our TRSs that does not reflect arm's length terms.

If we fail to qualify for taxation as a REIT in any year, then we will be subject to federal income tax in the same manner as a regular C corporation. Further, as a regular C corporation, distributions to our shareholders will not be deductible by us, nor will distributions be required under the IRC. Also, to the extent of our current and accumulated earnings and profits, all distributions to our shareholders will generally be taxable as ordinary dividends potentially eligible for the preferential tax rates discussed below under the heading "—Taxation of Taxable U.S. Shareholders" and, subject to limitations in the IRC, will be potentially eligible for the dividends received deduction for corporate shareholders. Finally, we will generally be disqualified from taxation as a REIT for the four taxable years following the taxable year in which the termination of our REIT status is effective. Our failure to qualify for taxation as a REIT for even one year could result in us reducing or eliminating distributions to our shareholders, or in us incurring substantial indebtedness or liquidating substantial investments in order to pay the resulting corporate-level income taxes. Relief provisions under the IRC may allow us to continue to qualify for taxation as a REIT even if we fail to comply with various REIT requirements, all as discussed in more detail below. However, it is impossible to state whether in any particular circumstance we would be entitled to the benefit of these relief provisions.

We do not intend to acquire or otherwise own assets or to conduct financing or other activities if doing so would produce "excess inclusion" or similar income for us or our shareholders, except that we may own assets or conduct activities through a TRS such that no excess inclusion or similar income results for us and our shareholders. However, if we own assets or conduct activities contrary to this expectation—e.g., if we were to (a) acquire or otherwise own a residual interest in a real estate mortgage investment conduit, or a REMIC, or (b) sponsor a non-REMIC collateralized mortgage pool to issue multiple class debt instruments related to the underlying mortgage loans, in each case other than through a TRS—then a portion of our income will be treated as excess inclusion income and a portion of the dividends that we pay to our shareholders will also be considered to be excess inclusion income. Generally, a shareholder's dividend income from a REIT corresponding to the shareholder's share of the REIT's excess inclusion or similar income: (a) cannot be offset by any net operating losses otherwise available to the shareholder; (b) is subject to tax as "unrelated business taxable income" as defined by Section 512 of the IRC, or UBTI, in the hands of most types of shareholders that are otherwise generally exempt from federal income tax; and (c) results in the application of federal income tax withholding at the maximum statutory rate of 30% (and any otherwise available rate reductions under income tax treaties do not apply) with respect to non-U.S. shareholders. IRS guidance indicates that if we were to generate excess inclusion or similar income, then that income would be allocated among our shareholders in proportion to our dividends paid. Even so, the manner in which this income would be allocated to dividends attributable to a taxable year that are not paid until a subsequent taxable year (or to dividends attributable to a portion of a taxable year when no assets or operations were held or conducted that produced excess inclusion or similar income), as well as the manner of reporting these special tax items to shareholders, is not clear under current law, and there can be no assurance that the IRS will not challenge our method of making any such determinations. If the IRS were to disagree with any such determinations made or with the method used by us, the amount of any excess inclusion or similar income required to be taken into account by one or more of our shareholders could be significantly increased.

In addition, if we own a residual interest in a REMIC, we will be taxed at the highest corporate income tax rate on the percentage of our excess inclusion income that corresponds to the percentage of our shares of beneficial interest that are held in record name by "disqualified organizations." Although the law is unsettled, the IRS asserts that similar rules apply to a REIT that generates income similar to excess inclusion income as a result of owning specified non-REMIC collateralized mortgage pools. If we become subject to tax on excess inclusion or similar income as a consequence of one or more "disqualified organizations" owning our shares, we are entitled under our declaration of trust (but not required) to reduce the amount of distributions that we pay to those shareholders whose ownership gives rise to the tax liability. If we do not specifically allocate this tax burden to the applicable shareholders, then as a practical matter it will be borne by us and all of our shareholders. Disqualified organizations include: (a) the United States; (b) any state or political subdivision of the United States; (c) any foreign government; (d) any international organization; (e) any agency or instrumentality of any of the foregoing; (f) any other tax-exempt organization, other than a farmer's cooperative described in Section 521 of the IRC, that is exempt both from income taxation and from taxation under the UBTI provisions of the IRC; and (g) any rural electrical or telephone cooperative. To the extent that our shares owned by disqualified organizations are held in street name by a broker-dealer or other nominee, the IRS asserts that the broker-dealer or nominee is liable for a tax at the highest corporate income tax rate on the portion of our excess inclusion or similar income allocable to the shares held on behalf of the disqualified organizations. A regulated investment company or other pass-through entity owning our shares would, according to the IRS, also be subject to tax at the highest corporate income tax rate on any excess inclusion or similar income from us that is allocated to their record name owners that are disqualified organizations.

In sum, although we do not intend to own assets or conduct activities if doing so would produce "excess inclusion" or similar income for us or our shareholders, tax-exempt investors, foreign investors, taxpayers with net operating losses, regulated investment companies, pass-through entities and broker-dealers and other nominees should carefully consider the tax consequences described above and are urged to consult their tax advisors in connection with their decision to invest in or hold our shares.

REIT Qualification Requirements

General Requirements. Section 856(a) of the IRC defines a REIT as a corporation, trust or association:

(1) that is managed by one or more trustees or directors;

(2) the beneficial ownership of which is evidenced by transferable shares or by transferable certificates of beneficial interest;

(3) that would be taxable, but for Sections 856 through 859 of the IRC, as a domestic C corporation;

(4) that is not a financial institution or an insurance company subject to special provisions of the IRC;

(5) the beneficial ownership of which is held by 100 or more persons;

(6) that is not "closely held," meaning that during the last half of each taxable year, not more than 50% in value of the outstanding shares are owned, directly or indirectly, by five or fewer "individuals" (as defined in the IRC to include specified tax-exempt entities);

(7) that does not have (and has not succeeded to) the post-December 7, 2015 tax-free spin-off history proscribed by Section 856(c)(8) of the IRC; and

(8) that meets other tests regarding the nature of its income and assets and the amount of its distributions, all as described below.

Section 856(b) of the IRC provides that conditions (1) through (4) must be met during the entire taxable year and that condition (5) must be met during at least 335 days of a taxable year of 12 months, or during a proportionate part of a taxable year of less than 12 months. Although we cannot be sure, we believe that we have met conditions (1) through (8) during each of the requisite periods ending on or before the close of our most recently completed taxable year, and that we will continue to meet these conditions in our current and future taxable years.

To help comply with condition (6), our declaration of trust restricts transfers of our shares that would otherwise result in concentrated ownership positions. These restrictions, however, do not ensure that we have previously satisfied, and may not ensure that we will in all cases be able to continue to satisfy, the share ownership requirements described in condition (6). If we comply with applicable Treasury regulations to ascertain the ownership of our outstanding shares and do not know, or by exercising reasonable diligence would not have known, that we failed condition (6), then we will be treated as having met condition (6). Accordingly, we have complied and will continue to comply with these regulations, including by requesting annually from holders of significant percentages of our shares information regarding the ownership of our shares. Under our declaration of trust, our shareholders are required to respond to these requests for information. A shareholder that fails or refuses to comply with the request is required by Treasury regulations to submit a statement with its federal income tax return disclosing its actual ownership of our shares and other information.

For purposes of condition (6), an "individual" generally includes a natural person, a supplemental unemployment compensation benefit plan, a private foundation, or a portion of a trust permanently set aside or used exclusively for charitable purposes, but does not include a qualified pension plan or profit-sharing trust. As a result, REIT shares owned by an entity that is not an "individual" are considered to be owned by the direct and indirect owners of the entity that are individuals (as so defined), rather than to be owned by the entity itself. Similarly, REIT shares held by a qualified pension plan or profit-sharing trust are treated as held directly by the individual beneficiaries in proportion to their actuarial interests in such plan or trust. Consequently, five or fewer such trusts could own more than 50% of the interests in an entity without jeopardizing that entity's qualification for taxation as a REIT.

The IRC provides that we will not automatically fail to qualify for taxation as a REIT if we do not meet conditions (1) through (7), provided we can establish that such failure was due to reasonable cause and not due to willful neglect. Each such excused failure will result in the imposition of a $50,000 penalty instead of REIT disqualification. This relief provision may apply to a failure of the applicable conditions even if the failure first occurred in a year prior to the taxable year in which the failure was discovered.

Our Wholly Owned Subsidiaries and Our Investments Through Partnerships. Except in respect of a TRS as discussed below, Section 856(i) of the IRC provides that any corporation, 100% of whose stock is held by a REIT and its disregarded subsidiaries, is a qualified REIT subsidiary and shall not be treated as a separate corporation for U.S. federal income tax purposes. The assets, liabilities and items of income, deduction and credit of a qualified REIT subsidiary are treated as the REIT's. We believe that each of our direct and indirect wholly owned subsidiaries, other than the TRSs discussed below (and entities whose equity is owned in whole or in part by such TRSs), will be either a qualified REIT subsidiary within the meaning of Section 856(i)(2) of the IRC or a noncorporate entity that for federal income tax purposes is not treated as separate from its owner under Treasury regulations issued under Section 7701 of the IRC, each such entity referred to as a QRS. Thus, in applying all of the REIT qualification requirements described in this summary, all assets, liabilities and items of income, deduction and credit of our QRSs are treated as ours, and our investment in the stock and other securities of such QRSs will be disregarded.

We may in the future invest in one or more entities that are treated as partnerships for federal income tax purposes. In the case of a REIT that is a partner in a partnership, Treasury regulations under the IRC provide that, for purposes of the REIT qualification requirements regarding income and assets described below, the REIT is generally deemed to own its proportionate share, based on respective capital interests (including any preferred equity interests in the partnership), of the income and assets of the partnership (except that for purposes of the 10% value test, described below, the REIT's proportionate share of the partnership's assets is based on its proportionate interest in the equity and specified debt securities issued by the partnership). In addition, for these purposes, the character of the assets and items of gross income of the partnership generally remains the same in the hands of the REIT. In contrast, for purposes of the distribution requirements discussed below, we would be required to take into account as a partner our share of the partnership's income as determined under the general federal income tax rules governing partners and partnerships under Subchapter K of the IRC.

Taxable REIT Subsidiaries. As a REIT, we are permitted to own any or all of the securities of a TRS, provided that no more than 20% (25% with respect to taxable years beginning after December 31, 2025) of the total value of our assets, at the close of each quarter, is comprised of our investments in the stock or other securities of our TRSs. Very generally, a TRS is a subsidiary corporation other than a REIT in which a REIT directly or indirectly holds stock and that has made a joint election with such REIT to be treated as a TRS. A TRS is taxed as a regular C corporation, separate and apart from any affiliated REIT. Our ownership of stock and other securities in our TRSs is exempt from the 5% asset test, the 10% vote test and the 10% value test discussed below.

In addition, any corporation (other than a REIT and other than a QRS) in which a TRS directly or indirectly owns more than 35% of the voting power or value of the outstanding securities is automatically a TRS (excluding, for this purpose, certain "straight debt" securities). Subject to the discussion below, we believe that we and each of our TRSs have complied with, and will continue to comply with, the requirements for TRS status at all times during which the subsidiary's TRS election is intended to be in effect, and we believe that the same will be true for any TRS that we later form or acquire.

As discussed below, TRSs can perform services for our tenants, if any, without disqualifying the rents we receive from those tenants under the 75% gross income test or the 95% gross income test discussed below. Moreover, because our TRSs are taxed as C corporations that are separate from us, their assets, liabilities and items of income, deduction and credit generally are not imputed to us for purposes of the REIT qualification requirements described in this summary. Therefore, our TRSs may generally conduct activities that would be treated as prohibited transactions or would give rise to nonqualified income if conducted by us directly.

Restrictions and sanctions are imposed on TRSs and their affiliated REITs to ensure that the TRSs will be subject to an appropriate level of federal income taxation. For example, if a TRS pays interest, rent or other amounts to its affiliated REIT in an amount that exceeds what an unrelated third party would have paid in an arm's length transaction, then the REIT generally will be subject to an excise tax equal to 100% of the excessive portion of the payment. Further, if in comparison to an arm's length transaction, a third-party tenant has overpaid rent to the REIT in exchange for underpaying the TRS for services rendered, and if the REIT has not adequately compensated the TRS for services provided to or on behalf of the third-party tenant, then the REIT may be subject to an excise tax equal to 100% of the undercompensation to the TRS. A safe harbor exception to this excise tax applies if the TRS has been compensated at a rate at least equal to 150% of its direct cost in furnishing or rendering the service. Finally, the 100% excise tax also applies to the underpricing of services provided by a TRS to its affiliated REIT or the REIT's tenants. We cannot be sure that arrangements involving our TRSs will not result in the imposition of one or more of these restrictions or sanctions, but we do not believe that we or our TRSs are or will be subject to these impositions.

As discussed above, we may utilize a TRS to own assets or conduct activities that would otherwise result in excess inclusion income for us and our shareholders or to perform services for our tenants, if any, without disqualifying the rents we receive from those tenants under the 75% gross income test or the 95% gross income test.

Income Tests. We must satisfy two gross income tests annually to maintain our qualification for taxation as a REIT. First, at least 75% of our gross income for each taxable year must be derived from investments relating to real property, including "rents from real property" within the meaning of Section 856(d) of the IRC, interest and gain from mortgages on real property or on interests in real property (generally including commercial mortgage-backed securities, or CMBS), amounts (other than amounts the determination of which depends in whole or in part on the income or profits of any person) received or accrued as consideration for entering into agreements (i) to make loans secured by mortgages on real property or on interests in real property or (ii) to purchase or lease real property (including interests in real property and interests in mortgages on real property), income derived from a REMIC in proportion to the real estate assets held by the REMIC (unless at least 95% of the REMIC's assets are real estate assets, in which case all of the income derived from the REMIC), income and gain from foreclosure property, gain from the sale or other disposition of real property (including specified ancillary personal property treated as real property under the IRC), or dividends on and gain from the sale or disposition of shares in other REITs (but excluding in all cases any gains subject to the 100% tax on prohibited transactions). When we receive new capital in exchange for our shares or in a public offering of our five-year or longer debt instruments, income attributable to the temporary investment of this new capital in stock or a debt instrument, if received or accrued within one year of our receipt of the new capital, is generally also qualifying income under the 75% gross income test. Second, at least 95% of our gross income for each taxable year must consist of income that is qualifying income for purposes of the 75% gross income test, other types of interest and dividends, gain from the sale or disposition of stock or securities, or any combination of these. Gross income from our sale of property that we hold primarily for sale to customers in the ordinary course of business, income and gain from specified "hedging transactions" that are clearly and timely identified as such, and income from the repurchase or discharge of indebtedness is excluded from both the numerator and the denominator in both gross income tests. In addition, specified foreign currency gains will be excluded from gross income for purposes of one or both of the gross income tests.

Interest Income. Interest income that we receive will satisfy the 75% gross income test (as described above) to the extent that it is derived from a loan that is adequately secured by a mortgage on real property or on interests in real property (including, in the case of a loan secured by both real property and personal property, such personal property to the extent that it does not exceed 15% of the total fair market value of all of the property securing the loan). If a loan is secured by both real property and other property (to the extent such other property is not treated as real property as described above), and the highest principal amount of the loan outstanding during a taxable year exceeds the fair market value of the real property securing the loan, determined as of (a) the date we agreed to acquire or originate the loan or (b) as discussed further below, in the event of a "significant modification," the date we modified the loan, then a part of the interest income from such loan equal to the percentage amount by which the loan exceeds the value of the real property will not be qualifying income for purposes of the 75% gross income test, but may be qualifying income for purposes of the 95% gross income test. Although we cannot be sure, we expect that the interest, original issue discount, and market discount income that we will receive from our mortgage related assets will generally be qualifying income for purposes of both the 75% and 95% gross income tests.

If we receive contingent interest that is based on the cash proceeds realized upon the sale of the property securing the loan (a "shared appreciation provision"), then the income attributable to the participation feature will be treated as gain from the sale of the underlying real property and will satisfy both the 75% and 95% gross income tests provided that the property is not held by the borrower as inventory or dealer property. Interest income that we receive from a mortgage loan in which all or a portion of the interest income payable is contingent on the earnings of the borrower will generally be qualifying income for purposes of both the 75% and 95% gross income tests if it is based upon the gross receipts or sales, and not the net income or profits, of the borrower. This limitation does not apply, however, where the borrower leases substantially all of its interest in the property to tenants or subtenants, to the extent that the rental income derived by the borrower or lessee, as the case may be, would qualify as "rents from real property," as described below under "—Rents from Real Property," had we earned the income directly.

We may invest in CMBS or specified securities backed by mortgages and issued by government sponsored enterprises, including Fannie Mae, Freddie Mac and the Federal Home Loan Bank (such government issued securities, "agency securities") that are either pass-through certificates or collateralized mortgage obligations. We expect that the CMBS and agency securities will be treated either as interests in a grantor trust or as interests in a REMIC for U.S. federal income tax purposes and that all interest income from our CMBS and agency securities will be qualifying income for the 95% gross income test. In some circumstances, payments we receive with respect to CMBS that we own may be made by affiliated entities pursuant to credit enhancement provided by those entities. We believe that any such payments constituting gross income to us will be qualifying income for purposes of both the 75% and 95% gross income tests, but we cannot be sure that the IRS will agree with that characterization of such payments. In the case of CMBS treated as interests in grantor trusts, we will be treated as owning an undivided beneficial ownership interest in the mortgage loans held by the grantor trust. The interest on such mortgage loans will be qualifying income for purposes of the 75% gross income test to the extent that such loans are secured by real property or interests in real property, as discussed above. In the case of CMBS or agency securities treated as interests in a REMIC, income derived from REMIC interests will generally be qualifying income for purposes of both the 75% and 95% gross income tests. If less than 95% of the assets of the REMIC are real estate assets, however, then only a proportionate part of our interest in the REMIC and income derived from the interest will qualify for purposes of the 75% gross income test. In addition, some REMIC regular interests are benefited by interest swap or cap contracts or other derivative instruments that could produce some nonqualifying income for the holder of the REMIC regular interests. Although we cannot be sure, we expect that our income from mortgage related securities will generally be qualifying income for purposes of both the 75% and 95% gross income tests.

We may invest in mezzanine loans, which are loans secured by equity interests in an entity that directly or indirectly owns real property, rather than by a mortgage on the real property. Under IRS guidance, if a mezzanine loan meets specified safe harbor requirements, (a) the mezzanine loan will be treated by the IRS as a real estate asset for purposes of the asset tests described below, and (b) interest derived from the mezzanine loan will be treated as qualifying mortgage interest for purposes of the 75% income test. Although the IRS guidance provides a safe harbor on which taxpayers may rely, it does not prescribe rules of substantive tax law. We generally intend to structure our investments in mezzanine loans in a manner that complies with the requirements applicable to our qualification for taxation as a REIT, and as much as practicable with the IRS safe harbor requirements. To the extent that any of our mezzanine loans do not meet all of the requirements for reliance on the IRS safe harbor, however, we cannot be sure that the IRS will not challenge the tax treatment of these loans.

There is limited case law or administrative guidance addressing the treatment of mezzanine loans and preferred equity investments as debt or equity for federal income tax purposes. We expect that our mezzanine loans generally will be treated as debt for federal income tax purposes, and our preferred equity investments generally will be treated as equity for federal income tax purposes. If a mezzanine loan is treated as equity for federal income tax purposes, we will be treated as owning the assets held by the partnership or limited liability company that issued the mezzanine loan. As a result, we will not be treated as receiving interest income from the mezzanine loan, but rather we will be treated as receiving our proportionate share of the income of the entity that issued the mezzanine loan (including any income generated by the entity that does not satisfy the 75% and 95% gross income tests). Similarly, if the IRS successfully asserts that a preferred equity investment is debt for federal income tax purposes, then that investment may be treated as producing interest income that will be qualifying income for the 95% gross income test, but not for the 75% gross income test.

We may hold participation interests, including B-Notes, in mortgage loans and mezzanine loans. Such interests in an underlying loan are created by virtue of an agreement to which the originator of the loan is a party, along with one or more participants. The borrower on the underlying loan is typically not a party to the participation agreement. The performance of this investment depends upon the performance of the underlying loan, and if the borrower defaults, then a participant typically has no recourse against the originator of the loan. The originator often retains a senior position in the underlying loan and grants junior participations which absorb losses first in the event of a default by the borrower. Although we cannot be sure, we expect that the interest that we will receive from such investments will generally be qualifying income for purposes of both the 75% and 95% gross income tests.

Fee Income. We expect to receive fee income in a number of circumstances, including from loans that we originate. Fee income, including prepayment penalties, loan assumption fees and late payment charges that are not compensation for services, generally will be qualifying income for purposes of both the 75% and 95% gross income tests if it is received in consideration for our entering or having entered into an agreement to make a loan secured by real property or an interest in real property and the fees are not determined by income and profits of the borrower. Other fees generally are not qualifying income for purposes of either gross income test. Fees earned by our TRSs are not included in computing the 75% and 95% gross income tests, and thus neither assist nor hinder our compliance with these tests.

Foreclosure Property. From time to time, we have found and may in the future find it necessary to foreclose on loans that we originate or acquire. In such instances, we intend to do so in a manner that maintains our qualification for taxation as a REIT and, if possible, minimizes our liability for foreclosure property income taxes, all as described below. As a general matter, we will not be considered to have foreclosed on a property if we merely take control of the property as a mortgagee-in-possession and cannot receive any profit or sustain any loss except as a creditor of the mortgagor.

Following a foreclosure, we generate income that satisfies the 75% and 95% gross income tests to the extent existing tenants at the real property or new tenants that we place at the property pay us rents that satisfy the requirements for "rents from real property" as described below under "—Rents from Real Property." Such qualifying rents are not subject to the foreclosure property income taxes described below. In order to qualify the rental payments that we receive as "rents from real property," it is often useful or necessary in such circumstances to utilize our TRSs to provide services to our tenants at these properties or, in the case of lodging facilities or health care facilities, utilize our TRSs as our captive tenants and engage eligible independent contractors as managers for our TRSs. We have deployed and in the future expect to deploy one or more of these tax efficient solutions in respect of property that we acquire through foreclosure. While we cannot be sure, we believe that Tremont, through RMR, is positioned to leverage its established relationships with tenants and operators across a wide variety of real estate asset sectors, and in particular its established relationships with managers of lodging facilities and health care facilities, to facilitate our goals in this regard.

In other circumstances where real property is reduced to possession after a foreclosure action, we may choose to treat such property as "foreclosure property" pursuant to Section 856(e) of the IRC. Foreclosure property is generally any real property, including interests in real property, and any personal property incident to such real property:

- that is acquired by a REIT as a result of the REIT having bid on such property at foreclosure, or having otherwise reduced such property to ownership or possession by agreement or process of law, after there was a default or when default was imminent on a lease of such property or on indebtedness that such property secured;
- for which any related loan acquired by the REIT was acquired at a time when the default was not imminent or anticipated; and
- for which the REIT makes a proper election to treat the property as foreclosure property.

For purposes of the 75% and 95% gross income tests, all income from the property will be qualifying income as long as the property qualifies as foreclosure property. In particular, any gain from the sale of the foreclosure property will be qualifying income for purposes of the 75% and 95% gross income tests and will be exempt from the 100% tax on gains from prohibited transactions described below under "—Prohibited Transactions." But, in exchange for these benefits, any gain that a REIT recognizes on the sale of foreclosure property held as inventory or primarily for sale to customers, plus any income it receives from foreclosure property that would not otherwise qualify under the 75% gross income test in the absence of foreclosure property treatment, reduced by expenses directly connected with the production of those items of income, would be subject to federal income tax at the highest regular corporate income tax rate under the foreclosure property income tax rules of Section 857(b)(4) of the IRC. Thus, if a REIT should lease foreclosure property in exchange for rent that qualifies as "rents from real property," which is our goal described above, then that rental income is not subject to the foreclosure property income tax.

Property generally ceases to be foreclosure property at the end of the third taxable year following the taxable year in which the REIT acquired the property, or longer if an extension is obtained from the IRS. However, this grace period terminates and foreclosure property ceases to be foreclosure property on the first day:

- on which a lease is entered into for the property that, by its terms, will give rise to income that does not qualify for purposes of the 75% gross income test (disregarding income from foreclosure property), or any nonqualified income under the 75% gross income test is received or accrued by the REIT, directly or indirectly, pursuant to a lease entered into on or after such day;
- on which any construction takes place on the property, other than completion of a building or any other improvement where more than 10% of the construction was completed before default became imminent and other than specifically exempted forms of maintenance or deferred maintenance; or
- which is more than 90 days after the day on which the REIT acquired the property and the property is used in a trade or business which is conducted by the REIT, other than through an independent contractor from whom the REIT itself does not derive or receive any income or a TRS.

We have had and may in the future have the option to foreclose on mortgage loans when a borrower is in default. The foregoing rules related to foreclosure property, and our goal to foreclose in a tax efficient manner when possible, could affect our decision of whether and when to foreclose on a particular mortgage loan.

Rents from Real Property. Rents received by us qualify as "rents from real property" in satisfying the gross income requirements described above only if several conditions are met. If rent is partly attributable to personal property leased in connection with a lease of real property, the portion of the rent that is attributable to the personal property will not qualify as "rents from real property" unless it constitutes 15% or less of the total rent received under the lease. In addition, the amount of rent received generally must not be based on the income or profits of any person, but may be based on a fixed percentage or percentages of receipts or sales. Moreover, for rents received to qualify as "rents from real property," we generally must not operate or manage the property or furnish or render services to the tenants of such property, other than through an "independent contractor" from which we derive no revenue or through a TRS. We are permitted, however, to perform services that are "usually or customarily rendered" in connection with the rental of space for occupancy only and which are not otherwise considered rendered to the occupant of the property. In addition, we may directly or indirectly provide noncustomary services to tenants of our properties without disqualifying all of the rent from the property if the payments for such services do not exceed 1% of the total gross income from the property.

In addition, "rents from real property" includes both charges we receive for services customarily rendered in connection with the rental of comparable real property in the same geographic area, even if the charges are separately stated, as well as charges we receive for services provided by our TRSs when the charges are not separately stated. Whether separately stated charges received by a REIT for services that are not geographically customary and provided by a TRS are included in "rents from real property" has not been addressed clearly by the IRS in published authorities; however, our tax counsel, Sullivan & Worcester LLP, is of the opinion that, although the matter is not free from doubt, "rents from real property" also includes charges we receive for services provided by our TRSs when the charges are separately stated, even if the services are not geographically customary. Accordingly, we expect that any of our revenues from TRS-provided services, whether the charges are separately stated or not, qualify as "rents from real property" because the services satisfy the geographically customary standard, because the services have been provided by a TRS, or for both reasons.

Finally, with the exception of specified rental arrangements with our TRSs (including in respect of lodging facilities or health care facilities), rental income will qualify as "rents from real property" only to the extent that we do not directly or constructively hold a 10% or greater interest, as measured by vote or value, in the lessee's equity.

We expect that all or substantially all the rents and related service charges that we have received or may in the future receive will be "rents from real property" and will to that extent be qualifying income for purposes of both the 75% and 95% gross income tests.

Prohibited Transactions. Other than sales of foreclosure property, any gain that we realize on the sale of property (including a deemed sale that occurs as a result of a "significant modification" of a debt investment) held as inventory or other property held primarily for sale to customers in the ordinary course of a trade or business, together known as dealer gains, may be treated as income from a prohibited transaction that is subject to a penalty tax at a 100% rate. The 100% tax does not apply to gains from the sale of property that is held through a TRS, although such income will be subject to tax in the hands of the TRS at regular corporate income tax rates; we may therefore utilize our TRSs in transactions in which we might otherwise recognize dealer gains. Whether property is held as inventory or primarily for sale to customers in the ordinary course of a trade or business is a question of fact that depends on all the facts and circumstances surrounding each particular transaction. Sections 857(b)(6)(C) and (E) of the IRC provide safe harbors pursuant to which limited sales of real property held for at least two years and meeting specified additional requirements will not be treated as prohibited transactions. However, compliance with the safe harbors is not always achievable in practice. We intend to structure our activities to avoid transactions that are prohibited transactions, or otherwise conduct such activities through TRSs; but, we cannot be sure whether or not the IRS might successfully assert that we are subject to the 100% penalty tax with respect to any particular transaction. Gains subject to the 100% penalty tax are excluded from the 75% and 95% gross income tests, whereas real property gains that are not dealer gains or that are exempted from the 100% penalty tax on account of the safe harbors are considered qualifying gross income for purposes of the 75% and 95% gross income tests.

If we fail to satisfy one or both of the 75% gross income test or the 95% gross income test in any taxable year, we may nevertheless qualify for taxation as a REIT for that year if we satisfy the following requirements: (a) our failure to meet the test is due to reasonable cause and not due to willful neglect; and (b) after we identify the failure, we file a schedule describing each item of our gross income included in the 75% gross income test or the 95% gross income test for that taxable year. Even if this relief provision does apply, a 100% tax is imposed upon the greater of the amount by which we failed the 75% gross income test or the amount by which we failed the 95% gross income test, with adjustments, multiplied by a fraction intended to reflect our profitability for the taxable year. This relief provision may apply to a failure of the applicable income tests even if the failure first occurred in a year prior to the taxable year in which the failure was discovered.

Based on the discussion above, we believe that we have satisfied, and will continue to satisfy, the 75% and 95% gross income tests outlined above on a continuing basis beginning with our first taxable year as a REIT.

Asset Tests. At the close of each calendar quarter of each taxable year, we must also satisfy the following asset percentage tests in order to qualify for taxation as a REIT for federal income tax purposes:

- At least 75% of the value of our total assets must consist of "real estate assets," defined as real property (including interests in real property and interests in mortgages on real property or on interests in real property), ancillary personal property to the extent that rents attributable to such personal property are treated as rents from real property in accordance with the rules described above, cash and cash items, most interests in CMBS, shares in other REITs, debt instruments issued by "publicly offered REITs" as defined in Section 562(c)(2) of the IRC, government securities, regular or residual interests in a REMIC (however, if less than 95% of the assets of a REMIC consists of assets that are qualifying real estate related assets under the federal income tax laws, determined as if we held such assets directly, we will be treated as holding directly our proportionate share of the assets of such REMIC), and any stock or debt instruments attributable to the temporary investment of new capital.

- Not more than 25% of the value of our total assets may be represented by securities other than those securities that count favorably toward the preceding 75% asset test.

- Of the investments included in the preceding 25% asset class, the value of any one non-REIT issuer's securities that we own may not exceed 5% of the value of our total assets. In addition, we may not own more than 10% of the vote or value of any one non-REIT issuer's outstanding securities, unless the securities are "straight debt" securities or otherwise excepted as discussed below. Our stock and other securities in a TRS are exempted from these 5% and 10% asset tests.

- Not more than 20% (25% with respect to taxable years beginning after December 31, 2025) of the value of our total assets may be represented by stock or other securities of our TRSs.

- Not more than 25% of the value of our total assets may be represented by "nonqualified publicly offered REIT debt instruments" as defined in Section 856(c)(5)(L)(ii) of the IRC.

Our tax counsel, Sullivan & Worcester LLP, is of the opinion that, although the matter is not free from doubt, our investments in the equity or debt of a TRS of ours, to the extent that and during the period in which they qualify as temporary investments of new capital, will be treated as real estate assets, and not as securities, for purposes of the above REIT asset tests.

We believe that our assets comply with the foregoing asset tests, and we intend to monitor compliance on an ongoing basis. However, we have not obtained, and do not expect to obtain, independent appraisals to support our conclusions as to the value of our total assets, or the value of any particular security or securities. Moreover, values of some assets, including instruments issued in securitization transactions, may not be susceptible to a precise determination, and values are subject to change in the future. Furthermore, the proper classification of an instrument as debt or equity for U.S. federal income tax purposes may be uncertain in some circumstances, which could affect the application of the REIT asset requirements. As described above, the IRS has promulgated a safe harbor pursuant to which mezzanine loans secured by a first priority security interest in ownership interests in a partnership or limited liability company will be treated as qualifying assets for purposes of the 75% asset test, the 5% asset test and the 10% asset tests. We may make some mezzanine loans that do not qualify for that safe harbor and that do not qualify as "straight debt" securities or for one of the other exclusions from the definition of "securities" for purposes of the 5% asset test and 10% asset tests; nevertheless, we expect that these investments will not impact our ability to satisfy the applicable REIT asset tests.

As discussed above under "—Interest Income," where a loan is secured by real property and other property and the highest principal amount of the loan outstanding during a taxable year exceeds the fair market value of the real property securing the loan as of (a) the date we agreed to acquire or originate the loan or (b) in the event of a significant modification, the date we modified the loan, then a portion of the interest income from such a loan will not be qualifying income for purposes of the 75% gross income test but will be qualifying income for purposes of the 95% gross income test. Although the law is not entirely clear, a portion of the loan will also likely be a nonqualifying asset for purposes of the 75% asset test. The nonqualifying portion of such a loan would be subject to, among other requirements, the 5% asset test and the 10% asset tests. The IRS has promulgated a safe harbor under which it has stated that it will not challenge a REIT's treatment of a loan as being, in part, a qualifying real estate asset in an amount equal to the lesser of: (a) the fair market value of the loan on the relevant quarterly REIT asset testing date; or (b) the greater of (i) the fair market value of the real property securing the loan on the relevant quarterly REIT asset testing date or (ii) the fair market value of the real property securing the loan determined as of the date the REIT committed to originate or acquire the loan. Moreover, pursuant to this IRS guidance, a REIT is not required to redetermine the fair market value of the real property securing a loan for purposes of the REIT asset tests in connection with a loan modification that is: (a) occasioned by a borrower default; or (b) made at a time when we reasonably believe that the modification to the loan will substantially reduce a significant risk of default on the original loan. It is unclear how the above safe harbors are affected by recent legislative changes that have liberalized the treatment of personal property as real property for various purposes under Section 856 of the IRC. It is possible that the safe harbor is improved in circumstances where a loan is secured by both real property and personal property where the fair market value of the personal property does not exceed 15% of the sum of the fair market values of the real property and the personal property securing the loan. We have not invested in, nor do we intend to invest in, distressed mortgage loans. If we do invest in distressed mortgage loans, we intend to invest in distressed mortgage loans in a manner consistent with maintaining our qualification for taxation as a REIT.

Pursuant to our master repurchase agreement with UBS AG, or UBS, or our UBS Master Repurchase Agreement, our master repurchase agreement with Citibank, N.A., or Citibank, or our Citibank Master Repurchase Agreement and our master repurchase agreement with Wells Fargo, National Association, or Wells Fargo, or our Wells Fargo Master Repurchase Agreement, each as amended from time to time, or collectively, our Master Repurchase Agreements, we nominally sell assets to the counterparty and simultaneously agree to repurchase those assets. We believe that we are treated for U.S. federal income tax purposes as the owner of the assets that are subject to our Master Repurchase Agreements, notwithstanding that we have transferred record ownership of the subject assets to the counterparty during the term of the agreement. It is possible, however, that the IRS could assert that we have not owned those assets during the term of the applicable repurchase agreement, which characterization could jeopardize our qualification for taxation as a REIT.

The above REIT asset tests must be satisfied at the close of each calendar quarter of each taxable year as a REIT. After a REIT meets the asset tests at the close of any quarter, it will not lose its qualification for taxation as a REIT in any subsequent quarter solely because of fluctuations in the values of its assets. This grandfathering rule may be of limited benefit to a REIT such as us that makes periodic acquisitions of both qualifying and nonqualifying REIT assets. When a failure to satisfy the above asset tests results from an acquisition of securities or other property during a quarter, the failure can be cured by disposition of sufficient nonqualifying assets within 30 days after the close of that quarter.

In addition, if we fail the 5% asset test, the 10% vote test or the 10% value test at the close of any quarter and we do not cure such failure within 30 days after the close of that quarter, that failure will nevertheless be excused if (a) the failure is de minimis and (b) within six months after the last day of the quarter in which we identify the failure, we either dispose of the assets causing the failure or otherwise satisfy the 5% asset test, the 10% vote test and the 10% value test. For purposes of this relief provision, the failure will be de minimis if the value of the assets causing the failure does not exceed the lesser of (a) 1% of the total value of our assets at the end of the relevant quarter or (b) $10.0 million. If our failure is not de minimis, or if any of the other REIT asset tests have been violated, we may nevertheless qualify for taxation as a REIT if (a) we provide the IRS with a description of each asset causing the failure, (b) the failure was due to reasonable cause and not willful neglect, (c) we pay a tax equal to the greater of (1) $50,000 or (2) the highest regular corporate income tax rate imposed on the net income generated by the assets causing the failure during the period of the failure, and (d) within six months after the last day of the quarter in which we identify the failure, we either dispose of the assets causing the failure or otherwise satisfy all of the REIT asset tests. These relief provisions may apply to a failure of the applicable asset tests even if the failure first occurred in a year prior to the taxable year in which the failure was discovered.

The IRC also provides an excepted securities safe harbor to the 10% value test that includes among other items (a) "straight debt" securities, (b) specified rental agreements in which payment is to be made in subsequent years, (c) any obligation to pay "rents from real property," (d) securities issued by governmental entities that are not dependent in whole or in part on the profits of or payments from a nongovernmental entity, and (e) any security issued by another REIT. In addition, any debt instrument issued by an entity classified as a partnership for federal income tax purposes, and not otherwise excepted from the definition of a security for purposes of the above safe harbor, will not be treated as a security for purposes of the 10% value test if at least 75% of the partnership's gross income, excluding income from prohibited transactions, is qualifying income for purposes of the 75% gross income test.

We have maintained and will continue to maintain records of the value of our assets to document our compliance with the above asset tests and intend to take actions as may be required to cure any failure to satisfy the tests within 30 days after the close of any quarter or within the six month periods described above.

Based on the discussion above, we believe that we have satisfied, and will continue to satisfy, the REIT asset tests outlined above on a continuing basis beginning with our first taxable year as a REIT.

Annual Distribution Requirements. In order to qualify for taxation as a REIT under the IRC, we are required to make annual distributions other than capital gain dividends to our shareholders in an amount at least equal to the excess of:

(1) the sum of 90% of our "real estate investment trust taxable income" and 90% of our net income after tax, if any, from property received in foreclosure, over

(2) the amount by which our noncash income (e.g., original issue discount on our mortgage loans) exceeds 5% of our "real estate investment trust taxable income."

For these purposes, our "real estate investment trust taxable income" is as defined under Section 857 of the IRC and is computed without regard to the dividends paid deduction and our net capital gain and will generally be reduced by specified corporate-level income taxes that we pay (e.g., taxes on foreclosure property income).

The IRC generally limits the deductibility of net interest expense paid or accrued on debt properly allocable to a trade or business to the sum of the business interest income of such taxpayer for such taxable year and 30% of the taxpayer's "adjusted taxable income," subject to specified exceptions. Any deduction in excess of the limitation is carried forward and may be used in a subsequent year, subject to that year's 30% limitation. We expect our income to predominantly consist of business interest income in amounts in excess of the net interest expense we will be required to pay or accrue. Accordingly, we do not expect the foregoing interest deduction limitations to apply to us or to the calculation of our "real estate investment trust taxable income."

Distributions must be paid in the taxable year to which they relate, or in the following taxable year if declared before we timely file our federal income tax return for the earlier taxable year and if paid on or before the first regular distribution payment after that declaration. If a dividend is declared in October, November or December to shareholders of record during one of those months and is paid during the following January, then for federal income tax purposes such dividend will be treated as having been both paid and received on December 31 of the prior taxable year to the extent of any undistributed earnings and profits.

The 90% distribution requirements may be waived by the IRS if a REIT establishes that it failed to meet them by reason of distributions previously made to meet the requirements of the 4% excise tax discussed below. To the extent that we do not distribute all of our net capital gain and all of our "real estate investment trust taxable income," as adjusted, we will be subject to federal income tax at regular corporate income tax rates on undistributed amounts. In addition, we will be subject to a 4% nondeductible excise tax to the extent we fail within a calendar year to make required distributions to our shareholders of 85% of our ordinary income and 95% of our capital gain net income plus the excess, if any, of the "grossed up required distribution" for the preceding calendar year over the amount treated as distributed for that preceding calendar year. For this purpose, the term "grossed up required distribution" for any calendar year is the sum of our taxable income for the calendar year without regard to the deduction for dividends paid and all amounts from earlier years that are not treated as having been distributed under the provision. We will be treated as having sufficient earnings and profits to treat as a dividend any distribution by us up to the amount required to be distributed in order to avoid imposition of the 4% excise tax.

Due to timing differences between the actual receipt of cash and the inclusion of items of income by us for U.S. federal income tax purposes, it is possible that, from time to time, we may not have enough cash or other liquid assets to meet our distribution requirements. For instance, we may experience these timing issues as a result of:

- accrued market discount that we might recognize periodically if we acquire debt instruments at a discount in the secondary market;
- taxable gain we might recognize if we "significantly modify" a distressed debt investment;
- accrued original issue discount; or
- accrued interest income with respect to debt instruments where the obligor defaults on payments to us.

Under the IRC, we are generally required to accrue income no later than when it is taken into account on applicable financial statements. The application of this rule may require the accrual of income with respect to our debt instruments or other assets, such as original issue discount or market discount, earlier than would otherwise be the case under the IRC, although the precise application of this rule is unclear at this time.

In addition, we may be required under the terms of indebtedness that we incur to use cash that we receive to make principal payments on that indebtedness, with the possible effect of recognizing income but not having a corresponding amount of cash available for distribution to our shareholders. It is also possible that our deductions for U.S. federal income tax purposes may be limited or accrue more slowly than, or will not otherwise correspond to, our cash expenditure outlays.

As a result of all these potential timing differences between income recognition or expense deduction and cash receipts or disbursements, we may have substantial taxable income in excess of cash available for distribution. In that event, we may find it necessary or desirable to arrange for a taxable distribution paid in a mix of cash and our shares or to arrange for additional capital to provide funds for required distributions in order to maintain our qualification for taxation as a REIT. We cannot be sure that financing would be available for these purposes on favorable terms, or at all.

We may be able to rectify a failure to pay sufficient dividends for any year by paying "deficiency dividends" to shareholders in a later year. These deficiency dividends may be included in our deduction for dividends paid for the earlier year, but an interest charge would be imposed upon us for the delay in distribution. While the payment of a deficiency dividend will apply to a prior year for purposes of our REIT distribution requirements and our dividends paid deduction, it will be treated as an additional distribution to the shareholders receiving it in the year such dividend is paid.

We may elect to retain, rather than distribute, some or all of our net capital gain and pay income tax on such retained amounts. In addition, if we so elect by making a timely designation to our shareholders, our shareholders would include their proportionate share of such undistributed capital gain in their taxable income, and they would receive a corresponding credit for their share of the federal corporate income tax that we pay thereon. Our shareholders would then increase the adjusted tax basis of their shares by the difference between (a) the amount of capital gain dividends that we designated and that they included in their taxable income, and (b) the tax that we paid on their behalf with respect to that capital gain.

Distributions to our Shareholders

As described above, we expect to make distributions to our shareholders from time to time. These distributions may include cash distributions, in kind distributions of property, and deemed or constructive distributions resulting from capital market activities. The U.S. federal income tax treatment of our distributions will vary based on the status of the recipient shareholder as more fully described below under the headings "—Taxation of Taxable U.S. Shareholders," "—Taxation of Tax-Exempt U.S. Shareholders," and "—Taxation of Non-U.S. Shareholders."

Section 302 of the IRC treats a redemption of our shares for cash only as a distribution under Section 301 of the IRC, and hence taxable as a dividend to the extent of our available current or accumulated earnings and profits, unless the redemption satisfies one of the tests set forth in Section 302(b) of the IRC enabling the redemption to be treated as a sale or exchange of the shares. The redemption for cash only will be treated as a sale or exchange if it (a) is "substantially disproportionate" with respect to the surrendering shareholder's ownership in us, (b) results in a "complete termination" of the surrendering shareholder's entire share interest in us, or (c) is "not essentially equivalent to a dividend" with respect to the surrendering shareholder, all within the meaning of Section 302(b) of the IRC. In determining whether any of these tests have been met, a shareholder must generally take into account shares considered to be owned by such shareholder by reason of constructive ownership rules set forth in the IRC, as well as shares actually owned by such shareholder. In addition, if a redemption is treated as a distribution under the preceding tests, then a shareholder's tax basis in the redeemed shares generally will be transferred to the shareholder's remaining shares in us, if any, and if such shareholder owns no other shares in us, such basis generally may be transferred to a related person or may be lost entirely. Because the determination as to whether a shareholder will satisfy any of the tests of Section 302(b) of the IRC depends upon the facts and circumstances at the time that our shares are redeemed, we urge you to consult your own tax advisor to determine the particular tax treatment of any redemption.

Taxation of Taxable U.S. Shareholders

For noncorporate U.S. shareholders, to the extent that their total adjusted income does not exceed applicable thresholds, the maximum federal income tax rate for long-term capital gains and most corporate dividends is generally 15%. For those noncorporate U.S. shareholders whose total adjusted income exceeds the applicable thresholds, the maximum federal income tax rate for long-term capital gains and most corporate dividends is generally 20%. However, because we are not generally subject to federal income tax on the portion of our "real estate investment trust taxable income" distributed to our shareholders, dividends on our shares generally are not eligible for these preferential tax rates, except that any distribution of C corporation earnings and profits and taxed built-in gain items will potentially be eligible for these preferential tax rates. As a result, our ordinary dividends generally are taxed at the higher federal income tax rates applicable to ordinary income (subject to the lower effective tax rates applicable to qualified REIT dividends via the deduction-without-outlay mechanism of Section 199A of the IRC, which is generally available to our noncorporate U.S. shareholders that meet specified holding period requirements). To summarize, the preferential federal income tax rates for long-term capital gains and for qualified dividends generally apply to:

(1) long-term capital gains, if any, recognized on the disposition of our shares;

(2) our distributions designated as long-term capital gain dividends;

(3) our dividends attributable to dividend income, if any, received by us from C corporations such as TRSs;

(4) our dividends attributable to earnings and profits that we inherit from C corporations; and

(5) our dividends to the extent attributable to income upon which we have paid federal corporate income tax (such as taxes on foreclosure property income), net of the corporate income taxes thereon.

As long as we qualify for taxation as a REIT, a distribution to our U.S. shareholders that we do not designate as a capital gain dividend generally will be treated as an ordinary income dividend to the extent of our available current or accumulated earnings and profits (subject to the lower effective tax rates applicable to qualified REIT dividends via the deduction-without-outlay mechanism of Section 199A of the IRC, which is generally available to our noncorporate U.S. shareholders that meet specified holding period requirements). Distributions made out of our current or accumulated earnings and profits that we properly designate as capital gain dividends generally will be taxed as long-term capital gains, as discussed below, to the extent they do not exceed our actual net capital gain for the taxable year. However, corporate shareholders may be required to treat up to 20% of any capital gain dividend as ordinary income under Section 291 of the IRC.

If for any taxable year we designate capital gain dividends for our shareholders, then a portion of the capital gain dividends we designate will be allocated to the holders of a particular class of shares on a percentage basis equal to the ratio of the amount of the total dividends paid or made available for the year to the holders of that class of shares to the total dividends paid or made available for the year to holders of all outstanding classes of our shares. We will similarly designate the portion of any dividend that is to be taxed to noncorporate U.S. shareholders at preferential maximum rates (including any qualified dividend income) so that the designations will be proportionate among all outstanding classes of our shares.

We may elect to retain and pay income taxes on some or all of our net capital gain. In addition, if we so elect by making a timely designation to our shareholders:

(1) each of our U.S. shareholders will be taxed on its designated proportionate share of our retained net capital gains as though that amount were distributed and designated as a capital gain dividend;

(2) each of our U.S. shareholders will receive a credit or refund for its designated proportionate share of the tax that we pay;

(3) each of our U.S. shareholders will increase its adjusted basis in our shares by the excess of the amount of its proportionate share of these retained net capital gains over the U.S. shareholder's proportionate share of the tax that we pay; and

(4) both we and our corporate shareholders will make commensurate adjustments in our respective earnings and profits for federal income tax purposes.

Distributions in excess of our current or accumulated earnings and profits will not be taxable to a U.S. shareholder to the extent that they do not exceed the shareholder's adjusted tax basis in our shares, but will reduce the shareholder's basis in such shares. To the extent that these excess distributions exceed a U.S. shareholder's adjusted basis in such shares, they will be included in income as capital gain, with long-term gain generally taxed to noncorporate U.S. shareholders at preferential maximum rates. No U.S. shareholder may include on its federal income tax return any of our net operating losses or any of our capital losses. In addition, no portion of any of our dividends is eligible for the dividends received deduction for corporate shareholders.

If a dividend is declared in October, November or December to shareholders of record during one of those months and is paid during the following January, then for federal income tax purposes the dividend will be treated as having been both paid and received on December 31 of the prior taxable year.

A U.S. shareholder will generally recognize gain or loss equal to the difference between the amount realized and the shareholder's adjusted basis in our shares that are sold or exchanged. This gain or loss will be capital gain or loss, and will be long-term capital gain or loss if the shareholder's holding period in our shares exceeds one year. In addition, any loss upon a sale or exchange of our shares held for six months or less will generally be treated as a long-term capital loss to the extent of any long-term capital gain dividends we paid on such shares during the holding period.

U.S. shareholders who are individuals, estates or trusts are generally required to pay a 3.8% Medicare tax on their net investment income (including dividends on our shares (without regard to any deduction allowed by Section 199A of the IRC) and gains from the sale or other disposition of our shares), or in the case of estates and trusts on their net investment income that is not distributed, in each case to the extent that their total adjusted income exceeds applicable thresholds. U.S. shareholders are urged to consult their tax advisors regarding the application of the 3.8% Medicare tax.

If a U.S. shareholder recognizes a loss upon a disposition of our shares in an amount that exceeds a prescribed threshold, it is possible that the provisions of Treasury regulations involving "reportable transactions" could apply, with a resulting requirement to separately disclose the loss-generating transaction to the IRS. These Treasury regulations are written quite broadly, and apply to many routine and simple transactions. A reportable transaction currently includes, among other things, a sale or exchange of our shares resulting in a tax loss in excess of (a) $10.0 million in any single year or $20.0 million in a prescribed combination of taxable years in the case of our shares held by a C corporation or by a partnership with only C corporation partners or (b) $2.0 million in any single year or $4.0 million in a prescribed combination of taxable years in the case of our shares held by any other partnership or an S corporation, trust or individual, including losses that flow through pass through entities to individuals. A taxpayer discloses a reportable transaction by filing IRS Form 8886 with its federal income tax return and, in the first year of filing, a copy of IRS Form 8886 must be sent to the IRS's Office of Tax Shelter Analysis. The annual maximum penalty for failing to disclose a reportable transaction is generally $10,000 in the case of a natural person and $50,000 in any other case.

Noncorporate U.S. shareholders who borrow funds to finance their acquisition of our shares could be limited in the amount of deductions allowed for the interest paid on the indebtedness incurred. Under Section 163(d) of the IRC, interest paid or accrued on indebtedness incurred or continued to purchase or carry property held for investment is generally deductible only to the extent of the investor's net investment income. A U.S. shareholder's net investment income will include ordinary income dividend distributions received from us and, only if an appropriate election is made by the shareholder, capital gain dividend distributions and qualified dividends received from us; however, distributions treated as a nontaxable return of the shareholder's basis will not enter into the computation of net investment income.

Taxation of Tax-Exempt U.S. Shareholders

The rules governing the federal income taxation of tax-exempt entities are complex, and the following discussion is intended only as a summary of material considerations of an investment in our shares relevant to such investors. If you are a tax-exempt shareholder, we urge you to consult your own tax advisor to determine the impact of federal, state, local and foreign tax laws, including any tax return filing and other reporting requirements, with respect to your acquisition of or investment in our shares.

We expect that shareholders that are tax-exempt pension plans, individual retirement accounts or other qualifying tax-exempt entities, and that receive (a) distributions from us, or (b) proceeds from the sale of our shares, should not have such amounts treated as UBTI, provided in each case (x) that the shareholder has not financed its acquisition of our shares with "acquisition indebtedness" within the meaning of the IRC, (y) that the shares are not otherwise used in an unrelated trade or business of the tax-exempt entity, and (z) that, consistent with our present intent, we do not hold a residual interest in a real estate mortgage investment conduit or otherwise hold mortgage assets or conduct mortgage securitization activities that generate "excess inclusion" income.

Taxation of Non-U.S. Shareholders

The rules governing the U.S. federal income taxation of non-U.S. shareholders are complex, and the following discussion is intended only as a summary of material considerations of an investment in our shares relevant to such investors. If you are a non-U.S. shareholder, we urge you to consult your own tax advisor to determine the impact of U.S. federal, state, local and foreign tax laws, including any tax return filing and other reporting requirements, with respect to your acquisition of or investment in our shares.

For most non-U.S. investors, investment in a REIT that invests principally in mortgage loans and CMBS may not be the most tax efficient way to invest in such assets. That is because receiving distributions of income derived from such assets in the form of REIT dividends subjects most non-U.S. investors to withholding taxes that direct investment in those asset classes, and the direct receipt of interest and principal payments with respect to them, would not. The principal exceptions are foreign sovereigns and their agencies and instrumentalities, which may be exempt from withholding taxes on REIT dividends under the IRC, and specified foreign pension funds or similar entities able to claim an exemption from withholding taxes on REIT dividends under the terms of a bilateral income tax treaty between their country of residence and the United States.

We expect that a non-U.S. shareholder's receipt of (a) distributions from us, and (b) proceeds from the sale of our shares, will not be treated as income effectively connected with a U.S. trade or business and a non-U.S. shareholder will therefore not be subject to the often higher federal tax and withholding rates, branch profits taxes and increased reporting and filing requirements that apply to income effectively connected with a U.S. trade or business. This expectation and a number of the determinations below are predicated on our shares being listed on a U.S. national securities exchange, such as Nasdaq. Each class of our shares has been listed on a U.S. national securities exchange; however, we cannot be sure that our shares will continue to be so listed in future taxable years or that any class of our shares that we may issue in the future will be so listed.

Distributions. A distribution by us to a non-U.S. shareholder that is not designated as a capital gain dividend will be treated as an ordinary income dividend to the extent that it is made out of our current or accumulated earnings and profits. A distribution of this type will generally be subject to U.S. federal income tax and withholding at the rate of 30%, or at a lower rate if the non-U.S. shareholder has in the manner prescribed by the IRS demonstrated to the applicable withholding agent its entitlement to benefits under a tax treaty. Because we cannot determine our current and accumulated earnings and profits until the end of the taxable year, withholding at the statutory rate of 30% or applicable lower treaty rate will generally be imposed on the gross amount of any distribution to a non-U.S. shareholder that we make and do not designate as a capital gain dividend. Notwithstanding this potential withholding on distributions in excess of our current and accumulated earnings and profits, these excess portions of distributions are a nontaxable return of capital to the extent that they do not exceed the non-U.S. shareholder's adjusted basis in our shares, and the nontaxable return of capital will reduce the adjusted basis in these shares. To the extent that distributions in excess of our current and accumulated earnings and profits exceed the non-U.S. shareholder's adjusted basis in our shares, the distributions will give rise to U.S. federal income tax liability only in the unlikely event that the non-U.S. shareholder would otherwise be subject to tax on any gain from the sale or exchange of these shares, as discussed below under the heading "—Dispositions of Our Shares." A non-U.S. shareholder may seek a refund from the IRS of amounts withheld on distributions to it in excess of such shareholder's allocable share of our current and accumulated earnings and profits.

For so long as a class of our shares is listed on a U.S. national securities exchange, capital gain dividends that we declare and pay to a non-U.S. shareholder on those shares, as well as dividends to such a non-U.S. shareholder on those shares attributable to our sale or exchange of "United States real property interests" within the meaning of Section 897 of the IRC, or

USRPIs, will not be subject to withholding as though those amounts were effectively connected with a U.S. trade or business, and non-U.S. shareholders will not be required to file U.S. federal income tax returns or pay branch profits tax in respect of these dividends. Instead, these dividends will generally be treated as ordinary dividends and subject to withholding in the manner described above.

Tax treaties may reduce the withholding obligations on our distributions. Under some treaties, however, rates below 30% that are applicable to ordinary income dividends from U.S. corporations may not apply to ordinary income dividends from a REIT or may apply only if the REIT meets specified additional conditions. A non-U.S. shareholder must generally use an applicable IRS Form W-8, or substantially similar form, to claim tax treaty benefits. If the amount of tax withheld with respect to a distribution to a non-U.S. shareholder exceeds the shareholder's U.S. federal income tax liability with respect to the distribution, the non-U.S. shareholder may file for a refund of the excess from the IRS. Treasury regulations also provide special rules to determine whether, for purposes of determining the applicability of a tax treaty, our distributions to a non-U.S. shareholder that is an entity should be treated as paid to the entity or to those owning an interest in that entity, and whether the entity or its owners are entitled to benefits under the tax treaty.

If, contrary to our expectation, a class of our shares was not listed on a U.S. national securities exchange and we made a distribution on those shares that was attributable to gain from the sale or exchange of a USRPI, then a non-U.S. shareholder holding those shares would be taxed as if the distribution was gain effectively connected with a trade or business in the United States conducted by the non-U.S. shareholder. In addition, the applicable withholding agent would be required to withhold from a distribution to such a non-U.S. shareholder, and remit to the IRS, up to 21% of the maximum amount of any distribution that was or could have been designated as a capital gain dividend. The non-U.S. shareholder also would generally be subject to the same treatment as a U.S. shareholder with respect to the distribution (subject to any applicable alternative minimum tax and a special alternative minimum tax in the case of a nonresident alien individual), would be subject to fulsome U.S. federal income tax return reporting requirements, and, in the case of a corporate non-U.S. shareholder, may owe the up to 30% branch profits tax under Section 884 of the IRC (or lower applicable tax treaty rate) in respect of these amounts.

Although the law is not entirely clear on the matter, it appears that amounts designated by us as undistributed capital gain in respect of our shares that are held by non-U.S. shareholders generally should be treated in the same manner as actual distributions by us of capital gain dividends. Under this approach, the non-U.S. shareholder would be able to offset as a credit against its resulting U.S. federal income tax liability its proportionate share of the tax paid by us on the undistributed capital gain treated as distributed to the non-U.S. shareholder, and receive from the IRS a refund to the extent its proportionate share of the tax paid by us were to exceed the non-U.S. shareholder's actual U.S. federal income tax liability on such deemed distribution. If we were to designate any portion of our net capital gain as undistributed capital gain, a non-U.S. shareholder should consult their tax advisors regarding taxation of such undistributed capital gain.

Dispositions of Our Shares. If as expected our shares are not USRPIs, then a non-U.S. shareholder's gain on the sale of these shares generally will not be subject to U.S. federal income taxation or withholding.

Our shares will not constitute USRPIs if we are not, at relevant testing dates in the preceding five years, a "United States real property holding corporation." Whether we are a United States real property holding corporation depends upon whether the fair market value of USRPIs owned by us equals or exceeds 50% of the sum of the fair market value of these interests, any interests in real estate outside of the United States, and our other trade and business assets. Because USRPIs do not generally include mortgage loans or mortgage-backed securities, we do not believe that we are a United States real property holding corporation, and we do not believe that we were a United States real property holding corporation for periods prior to our first taxable year as a REIT.

Even if we were to become a United States real property holding corporation in the future, we still expect that our shares would not be USRPIs because one or both of the following exemptions will be available at all times. First, for so long as a class of our shares is listed on a U.S. national securities exchange, a non-U.S. shareholder's gain on the sale of those shares will not be subject to U.S. federal income taxation as a sale of a USRPI. Second, our shares will not constitute USRPIs if we are a "domestically controlled" REIT. We will be a "domestically controlled" REIT if less than 50% of the value of our shares (including any future class of shares that we may issue) is held, directly or indirectly, by non-U.S. shareholders at all times during the preceding five years, after applying specified presumptions regarding the ownership of our shares as described in Section 897(h)(4)(E) of the IRC. For these purposes, we believe that for all relevant periods the statutory ownership presumptions apply to validate our status as a "domestically controlled" REIT. Accordingly, we believe that we are and will remain a "domestically controlled" REIT.

Information Reporting, Backup Withholding, and Foreign Account Withholding

Information reporting, backup withholding, and foreign account withholding may apply to distributions or proceeds paid to our shareholders under the circumstances discussed below. If a shareholder is subject to backup or other U.S. federal income tax withholding, then the applicable withholding agent will be required to withhold the appropriate amount with respect to a deemed or constructive distribution or a distribution in kind even though there is insufficient cash from which to satisfy the withholding obligation. To satisfy this withholding obligation, the applicable withholding agent may collect the amount of U.S. federal income tax required to be withheld by reducing to cash for remittance to the IRS a sufficient portion of the property that the shareholder would otherwise receive or own, and the shareholder may bear brokerage or other costs for this withholding procedure.

Amounts withheld under backup withholding are generally not an additional tax and may be refunded by the IRS or credited against the shareholder's federal income tax liability, provided that such shareholder timely files for a refund or credit with the IRS. A U.S. shareholder may be subject to backup withholding when it receives distributions on our shares or proceeds upon the sale, exchange, redemption, retirement or other disposition of our shares, unless the U.S. shareholder properly executes, or has previously properly executed, under penalties of perjury an IRS Form W-9 or substantially similar form that:

- provides the U.S. shareholder's correct taxpayer identification number;
- certifies that the U.S. shareholder is exempt from backup withholding because (a) it comes within an enumerated exempt category, (b) it has not been notified by the IRS that it is subject to backup withholding, or (c) it has been notified by the IRS that it is no longer subject to backup withholding; and
- certifies that it is a U.S. citizen or other U.S. person.

If the U.S. shareholder has not provided and does not provide its correct taxpayer identification number and appropriate certifications on an IRS Form W-9 or substantially similar form, it may be subject to penalties imposed by the IRS, and the applicable withholding agent may have to withhold a portion of any distributions or proceeds paid to such U.S. shareholder. Unless the U.S. shareholder has established on a properly executed IRS Form W-9 or substantially similar form that it comes within an enumerated exempt category, distributions or proceeds on our shares paid to it during the calendar year, and the amount of tax withheld, if any, will be reported to it and to the IRS.

Distributions on our shares to a non-U.S. shareholder during each calendar year and the amount of tax withheld, if any, will generally be reported to the non-U.S. shareholder and to the IRS. This information reporting requirement applies regardless of whether the non-U.S. shareholder is subject to withholding on distributions on our shares or whether the withholding was reduced or eliminated by an applicable tax treaty. Also, distributions paid to a non-U.S. shareholder on our shares will generally be subject to backup withholding, unless the non-U.S. shareholder properly certifies to the applicable withholding agent its non-U.S. shareholder status on an applicable IRS Form W-8 or substantially similar form. Information reporting and backup withholding will not apply to proceeds a non-U.S. shareholder receives upon the sale, exchange, redemption, retirement or other disposition of our shares, if the non-U.S. shareholder properly certifies to the applicable withholding agent its non-U.S. shareholder status on an applicable IRS Form W-8 or substantially similar form. Even without having executed an applicable IRS Form W-8 or substantially similar form, however, in some cases information reporting and backup withholding will not apply to proceeds that a non-U.S. shareholder receives upon the sale, exchange, redemption, retirement or other disposition of our shares if the non-U.S. shareholder receives those proceeds through a broker's foreign office.

Non-U.S. financial institutions and other non-U.S. entities are subject to diligence and reporting requirements for purposes of identifying accounts and investments held directly or indirectly by U.S. persons. The failure to comply with these additional information reporting, certification and other requirements could result in a 30% U.S. withholding tax on applicable payments to non-U.S. persons, notwithstanding any otherwise applicable provisions of an income tax treaty. In particular, a payee that is a foreign financial institution that is subject to the diligence and reporting requirements described above must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by "specified United States persons" or "United States owned foreign entities" (each as defined in the IRC and administrative guidance thereunder), annually report information about such accounts, and withhold 30% on applicable payments to noncompliant foreign financial institutions and account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States with respect to these requirements may be subject to different rules. The foregoing withholding regime generally applies to payments of dividends on our shares. In general, to avoid withholding, any non-U.S. intermediary through which a shareholder owns our shares must establish its compliance with the foregoing regime, and a non-U.S. shareholder must provide specified documentation (usually an applicable IRS Form W-8) containing information about its identity, its status, and if required, its direct and indirect U.S. owners. Non-U.S. shareholders and shareholders who hold our shares through a non-U.S. intermediary are encouraged to consult their own tax advisors regarding foreign account tax compliance.

Other Tax Considerations

Our tax treatment and that of our shareholders may be modified by legislative, judicial or administrative actions at any time, which actions may have retroactive effect. The rules dealing with U.S. federal income taxation are constantly under review by the U.S. Congress, the IRS and the U.S. Department of the Treasury, and statutory changes, new regulations, revisions to existing regulations and revised interpretations of established concepts are issued frequently. Likewise, the rules regarding taxes other than U.S. federal income taxes may also be modified. No prediction can be made as to the likelihood of passage of new tax legislation or other provisions, or the direct or indirect effect on us and our shareholders. Revisions to tax laws and interpretations of these laws could adversely affect our ability to qualify and be taxed as a REIT, as well as the tax or other consequences of an investment in our shares. We and our shareholders may also be subject to taxation by state, local or other jurisdictions, including those in which we or our shareholders transact business or reside. These tax consequences may not be comparable to the U.S. federal income tax consequences discussed above.

ERISA PLANS, KEOGH PLANS AND INDIVIDUAL RETIREMENT ACCOUNTS

General Fiduciary Obligations

The Employee Retirement Income Security Act of 1974, as amended, or ERISA, the IRC and similar provisions to those described below under applicable foreign or state law, individually and collectively, impose certain duties on persons who are fiduciaries of any employee benefit plan subject to Title I of ERISA, or an ERISA Plan, or an individual retirement account or annuity, or an IRA, a Roth IRA, a tax-favored account (such as an Archer MSA, Coverdell education savings account or health savings account), a Keogh plan or other qualified retirement plan not subject to Title I of ERISA, each a Non-ERISA Plan. Under ERISA and the IRC, any person who exercises any discretionary authority or control over the administration of, or the management or disposition of the assets of, an ERISA Plan or Non-ERISA Plan, or who renders investment advice for a fee or other compensation to an ERISA Plan or Non-ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan or Non-ERISA Plan.

Fiduciaries of an ERISA Plan must consider whether:

- their investment in our shares or other securities satisfies the diversification requirements of ERISA;
- the investment is prudent in light of possible limitations on the marketability of our shares;
- they have authority to acquire our shares or other securities under the applicable governing instrument and Title I of ERISA; and
- the investment is otherwise consistent with their fiduciary responsibilities.

Fiduciaries of an ERISA Plan may incur personal liability for any loss suffered by the ERISA Plan on account of a violation of their fiduciary responsibilities. In addition, these fiduciaries may be subject to a civil penalty of up to 20% of any amount recovered by the ERISA Plan on account of a violation. Fiduciaries of any Non-ERISA Plan should consider that the Non-ERISA Plan may only make investments that are authorized by the appropriate governing instrument and applicable law.

Fiduciaries considering an investment in our securities should consult their own legal advisors if they have any concern as to whether the investment is consistent with the foregoing criteria or is otherwise appropriate. The sale of our securities to an ERISA Plan or Non-ERISA Plan is in no respect a representation by us or any underwriter of the securities that the investment meets all relevant legal requirements with respect to investments by the arrangements generally or any particular arrangement, or that the investment is appropriate for arrangements generally or any particular arrangement.

Prohibited Transactions

Fiduciaries of ERISA Plans and persons making the investment decision for Non-ERISA Plans should consider the application of the prohibited transaction provisions of ERISA and the IRC in making their investment decision. Sales and other transactions between an ERISA Plan or a Non-ERISA Plan and disqualified persons or parties in interest, as applicable, are prohibited transactions and result in adverse consequences absent an exemption. The particular facts concerning the sponsorship, operations and other investments of an ERISA Plan or Non-ERISA Plan may cause a wide range of persons to be treated as disqualified persons or parties in interest with respect to it. A non-exempt prohibited transaction, in addition to imposing potential personal liability upon ERISA Plan fiduciaries, may also result in the imposition of an excise tax under the IRC or a penalty under ERISA upon the disqualified person or party in interest. If the disqualified person who engages in the transaction is the individual on behalf of whom an IRA, Roth IRA or other tax-favored account is maintained (or their beneficiary), the IRA, Roth IRA or other tax-favored account may lose its tax-exempt status and its assets may be deemed to have been distributed to the individual in a taxable distribution on account of the non-exempt prohibited transaction, but no excise tax will be imposed. Fiduciaries considering an investment in our securities should consult their own legal advisors as to whether the ownership of our securities involves a non-exempt prohibited transaction.

“Plan Assets” Considerations

The U.S. Department of Labor has issued a regulation defining “plan assets.” The regulation, as subsequently modified by ERISA, generally provides that when an ERISA Plan or a Non-ERISA Plan otherwise subject to Title I of ERISA and/or Section 4975 of the IRC acquires an interest in an entity that is neither a “publicly offered security” nor a security issued by an investment company registered under the 1940 Act, the assets of the ERISA Plan or Non-ERISA Plan include both the equity interest and an undivided interest in each of the underlying assets of the entity, unless it is established either that the entity is an operating company or that equity participation in the entity by benefit plan investors is not significant.

We are not an investment company registered under the 1940 Act. Each class of our equity (that is, our common shares and any other class of equity that we may issue) must be analyzed separately to ascertain whether it is a publicly offered security. The regulation defines a publicly offered security as a security that is “widely held,” “freely transferable” and either part of a class of securities registered under the Exchange Act, or sold under an effective registration statement under the Securities Act of 1933, as amended, or the Securities Act, provided the securities are registered under the Exchange Act within 120 days after the end of the fiscal year of the issuer during which the offering occurred. Each class of our outstanding shares has been registered under the Exchange Act within the necessary time frame to satisfy the foregoing condition.

The regulation provides that a security is “widely held” only if it is part of a class of securities that is owned by 100 or more investors independent of the issuer and of one another. However, a security will not fail to be “widely held” because the number of independent investors falls below 100 subsequent to the initial public offering as a result of events beyond the issuer’s control. Although we cannot be sure, we believe our common shares have been and will remain widely held, and we expect the same to be true of any future class of equity that we may issue.

The regulation provides that whether a security is “freely transferable” is a factual question to be determined on the basis of all relevant facts and circumstances. The regulation further provides that, where a security is part of an offering in which the minimum investment is $10,000 or less, some restrictions on transfer ordinarily will not, alone or in combination, affect a finding that the securities are freely transferable. The restrictions on transfer enumerated in the regulation as not affecting that finding include any restriction on or prohibition against any transfer or assignment that would result in a termination or reclassification for federal or state tax purposes, or would otherwise violate any state or federal law or court order. Additionally, limitations or restrictions on the transfer or assignment of a security that are created or imposed by persons other than the issuer of a security or persons acting for or on behalf of the issuer will ordinarily not prevent the security from being considered freely transferable.

We believe that the restrictions imposed under our declaration of trust on the transfer of shares do not result in the failure of our shares to be “freely transferable.” In addition, we do not expect or intend to impose in the future, or to permit any person to impose on our behalf, on shares owned by an ERISA Plan or Non-ERISA Plan, any limitations or restrictions on transfer that would not be among the enumerated permissible limitations or restrictions in the regulation and that would otherwise result in the failure of our shares to be “freely transferable”.

Assuming that each class of our shares will be "widely held" and that no facts and circumstances exist that prevent shares owned by an ERISA Plan or Non-ERISA Plan from being "freely transferable" for purposes of the regulation, our tax counsel, Sullivan & Worcester LLP, is of the opinion that under the regulation each class of our currently outstanding shares is publicly offered and our assets will not be deemed to be "plan assets" of any ERISA Plan or Non-ERISA Plan that acquires our shares in a public offering. This opinion is conditioned upon certain assumptions and representations, as discussed above under the heading "Material United States Federal Income Tax Considerations—Taxation as a REIT." Also, the opinion of our tax counsel is not binding on either the Department of Labor or a court, and either could take a position different from that expressed by our tax counsel.

Item 1A. Risk Factors

Summary of Risk Factors

The summary below provides an overview of many of the risks we face, and a more detailed discussion of risks is set forth in Part I, Item 1A of this Annual Report on Form 10-K under the caption "Risk Factors." Additional risks, beyond those summarized below or discussed under the caption "Risk Factors" or described elsewhere in this Annual Report on Form 10-K, may also materially and adversely impact our business, operations or financial results. Consistent with the foregoing, the risks we face include, but are not limited to, the following:

- we operate in a highly competitive market for investment opportunities, may not obtain sufficient additional capital, and may be adversely affected by Tremont's diligence processes, any defaults on our loan investments, the rate of prepayments on our loan investments, changes in interest rates or changes in credit spreads due to the size of our loan portfolio;
- unfavorable market, economic, CRE and capital market conditions have had and may continue to have a material adverse effect on our investment returns, ability to grow our investment portfolio, results of operations, financial condition and ability to pay distributions to our shareholders;
- the lack of liquidity of our loan investments may make it difficult for us to sell our investments if the need or desire arises;
- loans secured by properties in transition or requiring significant renovation involve a greater risk of loss than loans secured by stabilized properties;
- the CRE loans that we originate or acquire are subject to the ability of the property owner to generate net operating income from the underlying property, as well as the risks of defaults and foreclosure, which may be impacted by current economic conditions, including inflation, uncertainty surrounding interest rates and sustained high interest rates, supply chain challenges, labor availability, and geopolitical instability and tensions, among other factors;
- we are subject to the covenants and conditions contained in our Master Repurchase Agreements and in our facility loan agreement and security agreement with BMO Harris Bank N.A., or BMO, or the BMO Loan Program Agreement, which may restrict our operations and ability to make investments and distributions. We may enter into one or more alternative or additional repurchase facilities in the future and expect any such facility to contain covenants and conditions that may restrict our operations and ability to make investments and distributions;
- third party expectations relating to sustainability factors may impose additional costs on us and expose us, our borrowers and their tenants to new risks;
- any material failure, inadequacy, interruption or security breach of our, RMR's or Tremont's technology systems could materially and adversely affect us;
- our management structure and management agreement with Tremont and its relationships with related parties may create conflicts of interest;
- ownership limitations and certain provisions in our declaration of trust and bylaws, as well as certain provisions of Maryland law, may deter, delay or prevent a change in control of us or an unsolicited acquisition proposal and could limit shareholders' ability to obtain a judicial forum they deem favorable for certain disputes;
- we may incur adverse tax consequences if we fail to remain qualified for taxation as a REIT for U.S. federal income tax purposes;

- we are subject to various risks related to our ownership of certain real property;
- REIT distribution requirements could adversely affect us and our shareholders;
- distributions to shareholders generally will not qualify for reduced tax rates applicable to "qualified dividends," and we may also choose to pay distributions in shares, in which case shareholders may be required to pay income taxes in excess of the cash distributions that they receive;
- the failure of assets subject to our Master Repurchase Agreements and our BMO Loan Program Agreement to qualify as real estate assets could adversely affect our ability to qualify for taxation as a REIT under the IRC;
- REIT requirements may limit our ability to hedge effectively and may cause us to incur tax liabilities;
- if we own assets or conduct operations that generate "excess inclusion income" outside a TRS, doing so could adversely affect shareholders' taxation; and
- we may change our operational, financing and investment policies without shareholder approval and may become highly leveraged.

Our business is subject to a number of risks and uncertainties. The risks described below may not be the only risks we face but are risks we believe may be material at this time. Other risks of which we are not yet aware, or that we currently believe are not material, may also materially and adversely impact our business operations or financial results. If any of the events or circumstances described below occurs, our business, financial condition, results of operations or ability to pay distributions to our shareholders could be adversely affected and the value of an investment in our securities could decline. Investors and prospective investors should consider the risks described below and the information contained under the caption "Warning Concerning Forward-Looking Statements" and elsewhere in this Annual Report on Form 10-K before deciding whether to invest in our securities.

Risks Relating to Our Business

We operate in a highly competitive market for investment opportunities and competition may limit our ability to originate or acquire target investments on attractive terms or at all.

We operate in a highly competitive market for investment opportunities. We compete with a variety of institutional investors, including other mortgage REITs, specialty finance companies, public and private funds (including mortgage REITs, funds or investors that Tremont, RMR or their subsidiaries currently, or may in the future, sponsor, advise or manage), banks, and insurance companies and other financial institutions. Many of our competitors are significantly larger than we are and have considerably greater financial, technical, marketing and other resources than we have. Many of our competitors are not subject to the operating constraints associated with REIT tax or SEC reporting compliance or maintenance of an exemption from registration as an investment company under the 1940 Act. Some of our competitors may have a lower cost of capital and access to funding sources that may not be available to us, such as the U.S. Government, or are only available to us on substantially less attractive terms. In addition, some of our competitors may have higher risk tolerances or make different risk assessments than us, which could lead them to consider a wider variety of investments, offer more attractive pricing or other terms, for example, higher LTV ratios or lower interest rates than we are willing to offer or accept. Furthermore, competition for our target investments may result in less attractive terms for us and lower returns on our investments or our failing to make investments.

As a result of this competition, desirable loans and investments in our target investments may be limited in the future and we may not be able to take advantage of attractive lending and investment opportunities from time to time. We can provide no assurance that we will be able to identify and originate loans or make investments that are consistent with our investment objectives. We cannot assure you that the competitive pressures we face will not have a material adverse effect on our business, financial condition and results of operations. There can be no assurance that any current relationships with such parties will continue (whether on currently applicable terms or otherwise) or that we will be able to establish relationships with other such persons in the future if desired and on terms favorable to us.

Unfavorable market, economic, CRE and capital market conditions have had and may continue to have a material adverse effect on our investment returns, ability to grow our investment portfolio, results of operations, financial condition and ability to pay distributions to our shareholders.

Our business has been and may continue to be adversely affected by market and economic volatility experienced by the U.S. and global economies, the CRE industry and/or the local economies in the markets in which the properties relating to our investments are located. Unfavorable market, economic and CRE industry conditions may be due to, among other things, uncertainty surrounding interest rates or sustained high interest rates and inflation, labor market challenges, supply chain disruptions, volatility in the capital markets, pandemics or other public health safety concerns, geopolitical instability and tensions (such as the war in Ukraine and conflicts in the Middle East), the current presidential administration, changing tariffs and trade policies and related uncertainty, catastrophic events such as natural disasters, adverse weather and climate conditions, and other conditions beyond our control. Current and future economic conditions in the United States may affect the demand for real estate and real estate financing, real estate values, CRE transaction and leasing activity, rents, capital market stability and liquidity and capital costs. Current economic conditions, including high interest rates, inflation, reduced availability of financing or financing on favorable terms and increased CRE financing costs, have resulted in a reduction in CRE transaction volume and adversely impacted CRE lending, including alternative CRE lenders like us. If these conditions continue or worsen, or if other adverse market conditions arise, CRE transaction activity, capital market stability, financing availability and financing costs for CRE lending may be further negatively impacted. In addition, these conditions may result in a prolonged economic slowdown or recession, which may negatively impact our borrowers' ability to pay their debt obligations owed to us. Further, these conditions may reduce the value of the properties relating to our investments, which may increase the likelihood that we incur losses if our borrowers default on our loans. If these risks are realized, they may have a material adverse effect on our investment returns, ability to grow our investment portfolio, results of operations, financial condition and ability to pay distributions to our shareholders.

Additionally, events leading to limited liquidity, defaults, non-performance or other adverse developments that affect one industry, such as the financial services industry, or concerns or rumors about any events of these kinds, have in the past and may in the future lead to market-wide liquidity problems, may spread to other industries, and could negatively affect our business. For example, in 2023, multiple regional banks experienced rapidly declining financial condition, which resulted in the Federal Deposit Insurance Corporation being appointed as a receiver. Should there be additional systemic pressure on the financial system and capital markets, there can be no assurances of the response of any government or regulator, and any response may not be as favorable to industry participants as the current measures in place. In addition, highly publicized issues related to the U.S. and global capital markets in the past have led to significant and widespread investor concerns over the integrity of the capital markets. The situation related to regional banks could in the future lead to further rules and regulations for public companies, banks, financial institutions and other participants in the U.S. and global capital markets, and complying with the requirements of any such rules or regulations may be burdensome. Even if not adopted, evaluating and responding to any such proposed rules or regulations could result in increased costs and require significant attention from Tremont.

We have a limited operating history investing in mortgage loans and have made a limited number of target investments to date.

We have a limited operating history investing in mortgage loans and have made a limited number of target investments to date. Our ability to achieve our investment objectives depends on our ability to make investments that generate attractive, risk adjusted returns, as well as on our ongoing access to capital and financing on terms that permit us to realize net interest income from our investments. In general, the availability of favorable investment opportunities will be affected by the level and volatility of interest rates in the market generally, the availability of adequate short and long term real estate financing and the competition for investment opportunities. We cannot be sure that we will be successful in obtaining additional capital to enable us to make additional investments after we invest our existing capital, that any investments we make will achieve our targeted rate of return or other investment objectives, or that we will be able to successfully operate our business, or implement our operating policies and investment strategies.

Our loan portfolio consists of a limited number of investments, and losses, repayments or other changes with respect to any of those investments may significantly impact us.

As of December 31, 2025, our portfolio consisted of 24 first mortgage loans. The number of loans in which we are invested may be higher or lower depending on the amount of our assets under management at any given time, market conditions and the extent to which we employ leverage, and will likely fluctuate over time. As a result, the aggregate returns we realize may be adversely affected if any of our investments performs poorly, we need to write down the value of any of our investments or any of our investments is repaid prior to maturity and we are not able to timely redeploy the proceeds in a manner that provides us with comparable returns. The impact of these adverse effects on our aggregate returns may be greater than if our portfolio consisted of a larger number of loans because an impacted loan may comprise a larger proportion of our loan portfolio.

Additionally, our investments could be concentrated in relatively few loans and/or relatively few property types. If our portfolio of target investments is concentrated in certain property types that are subject to higher risk of foreclosure, or secured by properties concentrated in a limited number of geographic locations, downturns relating generally to such region or type of asset may result in defaults on a number of our investments within a short time period, which may reduce our net income and the value of our common shares and accordingly reduce our ability to pay dividends to our shareholders.

The lack of liquidity of our loan investments may adversely affect our business.

The lack of liquidity of our loan investments may make it difficult for us to sell our investments if the need or desire arises. Our investments in CRE mortgage loans are relatively illiquid due to their short life, their potential unsuitability for securitization and the difficulty of recovery in the event of a borrower's default. In addition, our loan investments may become less liquid as a result of actual or anticipated defaults by our borrowers, turbulent market conditions or the unavailability to borrowers of refinancing capital. Moreover, the investments we make are not registered under relevant securities laws, resulting in limitations on their transfer, sale, pledge or disposition except in transactions that are exempt from registration requirements or are otherwise in accordance with such laws. As a result, our loan investments are illiquid, and if we are required to liquidate a loan investment, we may realize significantly less than the amount we invested or our carrying value. The risk of such a loss may be greater if we need to liquidate it quickly. As a result, our ability to adjust our loan portfolio in response to changes in economic and other conditions may be limited, which could adversely affect our financial condition and results of operations.

Loans secured by properties in transition or requiring significant renovation involve a greater risk of loss than loans secured by stabilized properties.

We originate transitional bridge loans to borrowers who are seeking shorter term capital to be used in acquisitions, construction or repositioning of properties. In a typical transitional loan, the borrower has usually identified a property that the borrower believes has been under-managed, is located in a recovering market or requires renovation. The renovation, refurbishment or expansion of a property by a borrower involves risks of cost overruns, construction risks and non-completion risks, among others. Estimates of the costs of and timing for completing property improvements may be inaccurate. In addition, subsequent leasing of the property may take longer to complete and cost more than expected. If the borrower experiences any of these or other risks, the borrower may not generate sufficient cash flows from the property to make payments on or refinance the transitional loan, and we may not recover some or all of our investment.

Tremont's diligence process for investment opportunities may not reveal all facts that may be relevant for an investment, and if we incorrectly evaluate the risks of our investments, we may experience losses.

Prior to our making any investment, Tremont conducts diligence that it considers reasonable based upon the facts and circumstances of the investment. When conducting diligence on our behalf, Tremont may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the diligence process to varying degrees depending on the type of potential investment. Selecting and evaluating material due diligence matters is subjective by nature, and there is no guarantee that the criteria utilized or judgment exercised by Tremont will reflect the beliefs, values, internal policies or preferred practices of any particular investor or align with the beliefs or values or preferred practices of other CRE debt investors or with market trends. Tremont's diligence may also not reveal all of the risks associated with our investments. We evaluate our potential investments based upon criteria Tremont deems appropriate for the relevant investment. Our underwriting assumptions and loss estimates may not prove accurate, and actual results may vary from estimates. Moreover, investment analyses and decisions by Tremont may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to Tremont at the time of making an investment decision may be limited. Therefore, we cannot be sure that Tremont will have knowledge of all circumstances that may adversely affect such investment. If we underestimate the risks and potential losses associated with an investment we originate or acquire, we may experience losses from the investment.

We may be unable to obtain additional capital sufficient to enable us to grow our loan portfolio.

As of December 31, 2025, our primary sources of capital were the facilities governed by our Master Repurchase Agreements, including our master repurchase facility with Wells Fargo, or the Wells Fargo Master Repurchase Facility; our master repurchase facility with Citibank, or the Citibank Master Repurchase Facility and our master repurchase facility with UBS, or the UBS Master Repurchase Facility; and our facility loan program with BMO, or the BMO Facility. We refer to the Wells Fargo Master Repurchase Facility, Citibank Master Repurchase Facility and UBS Master Repurchase Facility, collectively, as our Master Repurchase Facilities. We refer to the Master Repurchase Facilities and the BMO Facility, collectively, as our Secured Financing Facilities.

As of December 31, 2025, we had $350.8 million of available liquidity from cash and amounts available under our Secured Financing Facilities to fund future loan originations and advances. After we invest these sources, we may not be able to obtain additional capital to make investments that we determine are attractive. If so, this could limit our ability to grow our loan portfolio in the future, including by pursuing opportunities that may be available in our loan origination pipeline, and adversely affect our ability to make or sustain distributions to our shareholders. Our ability to further grow our loan portfolio over time will depend, to a significant degree, upon our ability to obtain additional capital. Our access to additional capital depends upon a number of factors, some of which we have little or no control over, including:

- general economic, market or industry conditions;
- the market's view of the quality of our assets;
- the market's perception of our growth potential;
- our current and potential future earnings and distributions to our shareholders; and
- the market value of our securities.

If regulatory capital requirements imposed on our lenders change, they may be required to limit, or increase the cost of, financing they provide to us. This could potentially increase our financing costs and reduce our liquidity or require us to sell assets at an inopportune time or price. There can be no assurance that we will be able to obtain additional bank credit facilities or repurchase agreements on favorable terms, or at all.

If we cannot obtain additional capital after we invest our current available cash and borrowing availability under our Secured Financing Facilities, our future investable funds may be limited to proceeds we receive from repayments of our loan investments, and from interest payments we receive, from borrowers or from other investments we may make. Therefore, in order to grow our business, we may have to rely on additional equity issuances, which may be dilutive to our shareholders, or on debt financings which may require us to use a large portion of our cash flow from operations to fund our debt service obligations, thereby reducing funds available for our operations, future business opportunities, distributions to our shareholders or other purposes. We cannot be sure that we will have access to such debt or equity capital on favorable terms at the desired times, or at all, which may cause us to reduce or suspend our investment activities or dispose of assets at an inopportune time or price, which could negatively affect our financial condition, results of operations and ability to make or sustain our distributions to our shareholders.

If the market price of our common shares does not increase or declines, our cost of equity capital will remain high or further increase, and we may not be able to practically or otherwise raise equity capital by issuing additional equity securities.

Prepayment rates may adversely affect our ability to generate returns, which could negatively impact our ability to make or sustain distributions to our shareholders.

The rates at which our borrowers prepay our investments, where contractually permitted, will be influenced by changes in the then-current level of interest rates, significant changes in the performance or possible sale of underlying real estate assets and a variety of economic factors, availability of alternative financing the borrower desires and other factors beyond our control. In addition, it may take an extended period for us to reinvest the proceeds from any repayments we may receive, and any reinvestments we may be able to make may not provide us with similar returns or comparable risks as those of our current investments. We expect to be entitled to fees upon the prepayment of our investments, although we cannot be sure that such fees will adequately compensate us as the functional equivalent of a "make whole" payment. Furthermore, we may not be able to structure future investments to impose a make whole obligation upon a borrower in the case of an early prepayment. As a result, our income may decline as a result of borrower prepayments, which would have a negative impact on our ability to make or sustain distributions to our shareholders.

Difficulty or delays in redeploying the proceeds from repayments of our existing loan investments may cause our financial performance and returns to shareholders to decline.

As our loan investments are repaid, we intend to redeploy the proceeds we receive into new loan investments and repay borrowings under our repurchase and credit facilities. It is possible that we will fail to identify and complete reinvestments that would provide returns or a risk profile that are comparable to the loan investment that was repaid. If we fail to redeploy, or experience any delays in redeploying, the proceeds we receive from repayment of a loan investment in equivalent or better investments, our financial performance and returns to shareholders could decline.

Earning returns on the CRE loans that we originate or acquire is subject to the ability of the property owner to generate net operating income from operating the property.

Our ability to earn positive returns on CRE loans that we originate or acquire is subject to the ability of the property owner to generate net operating income from operating the property. The ability of a borrower to repay a loan secured by an income producing property typically is dependent primarily upon the successful operation of the property rather than upon the existence of independent income or assets of the borrower. If the net operating income of the property is below amounts expected when we made our loan investment, the borrower's ability to repay the loan may be impaired and the risks of default and foreclosure may increase. Net operating income of an income producing property can be affected by, among other things:

- tenant mix and tenant bankruptcies;
- success of tenant businesses;
- property management decisions, including with respect to capital improvements, particularly in older building structures;
- property location, condition and design;
- competition from comparable properties;
- changes in market practice, such as those that arose or were intensified in response to the COVID-19 pandemic;
- changes in national, regional or local economic conditions and/or specific industry segments, including current and future economic conditions caused by pandemics;
- rising inflationary pressures and effects of inflation on borrower and tenant businesses;
- supply chain constraints, commodity pricing and other inflation;
- borrowers' and tenants' ability to attract, retain and motivate sufficient qualified personnel in a challenging labor market and to effectively manage their labor costs;
- declines in regional or local real estate values;
- declines in regional or local rental or occupancy rates;
- changes in interest rates, and in the state of the debt and equity capital markets, including diminished availability or lack of CRE debt financing;
- changes in real estate tax rates, tax credits and other operating expenses;
- costs of remediation and liabilities associated with environmental conditions;
- adverse impacts to properties from short term and long term effects of global climate change;
- the potential for uninsured or underinsured property losses;
- changes in laws and regulations, including fiscal policies, zoning ordinances and environmental legislation and the related costs of compliance; and
- acts of God, earthquakes, hurricanes, health epidemics, pandemics and other public health safety events or concerns, and other natural disasters, or acts of war, sabotage, terrorism, social unrest or civil disturbances, in each case which may result in uninsured or underinsured losses.

We may suffer from difficulty or delays in deploying capital raised from capital market transactions, which may cause our financial performance to decline and adversely affect our ability to pay distributions to our shareholders and the value of our securities.

We generally expect to substantially deploy any additional capital raised from capital market transactions, including, for example, our transferable rights offering completed in December 2025 through which we issued 7,532,861 new common shares, or the Rights Offering. It is possible, however, that we could suffer from difficulty or delays in deploying capital, particularly if the capital we raise in connection with any capital market transaction outpaces Tremont's ability to identify new loan investments and/or close on them. Such difficulty or delays, which may be caused by a number of factors, including, for example, changes in market, economic, CRE and/or capital market conditions and competition in the market for the same investment opportunities, may cause our financial performance to decline and adversely affect our ability to pay distributions to our shareholders and/or the value of their overall returns on investment in our securities.

We may need to foreclose on loans that are in default, which could result in losses.

We may find it necessary to foreclose on loans that are in default. Foreclosure processes are often lengthy and expensive. Results of foreclosure processes may be uncertain, as claims may be asserted by borrowers or by other lenders or investors in the borrowers that interfere with enforcement of our rights, such as claims that challenge the validity or enforceability of our loan or the priority or perfection of our mortgage or other security interests. Borrowers may resist foreclosure actions by asserting numerous claims, counterclaims and defenses against us, including, without limitation, lender liability claims and defenses, even when the assertions may have no merit, in an effort to prolong the foreclosure action and seek to force us into a modification of the loan or a buy-out of the loan for less than we are owed. At any time prior to or during the foreclosure proceedings, the borrower may file for bankruptcy, which would have the effect of staying the foreclosure actions and delaying the foreclosure processes and potentially result in reductions or discharges of the borrower's debt.

Foreclosure may create a negative public perception of the collateral property, resulting in a diminution of its value. Even if we are successful in foreclosing on a mortgage loan, the liquidation proceeds upon sale of the underlying real estate may not be sufficient to recover our investment. Any costs or delays involved in the foreclosure of the loan or a liquidation of the underlying property will reduce the net proceeds realized and increase the time it may take to collect such proceeds, and, thus, increase the potential for loss.

The CRE loans that we originate or acquire expose us to risks associated with real estate investments generally.

In addition to the other risks discussed herein, the CRE loans that we originate or acquire expose us to risks associated with real estate investments, generally, including:

- economic and market fluctuations;
- political instability or changes;
- changes in environmental, zoning and other laws;
- casualty or condemnation losses;
- cost of remediation and removal of hazardous substances and liabilities associated with environmental conditions;
- regulatory limitations on rents;
- decreases in property values;
- changes in the appeal of properties to tenants;
- changes in supply and demand for CRE properties and debt;
- changes in valuation of collateral underlying CRE properties and CRE loans, resulting from inherently subjective and uncertain valuations;
- energy supply shortages;
- various uninsured or uninsurable risks;
- adverse weather, natural disasters and adverse impacts from climate change;

- acts of God, earthquakes, hurricanes, pandemics or other public health safety events or concerns, and other natural disasters, climate change, or acts of war, sabotage, terrorism, social unrest and civil disturbances, in each case which may result in uninsured or underinsured losses;
- changes in government regulations, such as rent control; and
- changes in the availability of debt financing and/or mortgage funds, which may render the sale or refinancing of properties difficult or impracticable.

We cannot predict the degree to which economic conditions generally, and the conditions for CRE and CRE debt financing in particular, will improve or decline. Current economic conditions, including inflation, high interest rates, supply chain challenges, labor availability, and geopolitical instability and tensions, among other factors, have materially adversely impacted CRE transaction activity and valuations and have caused disruptions in the CRE lending market. If these conditions continue or worsen, or if further declines in the performance of the U.S. or global economies or in real estate debt markets are realized, we may experience a material adverse effect on us and our business, results of operations and financial condition.

We are subject to various risks related to the ownership of certain real property.

Real property we own or may own in the future, but do not use in the ordinary course of our operations subjects us to risks particular to CRE property. We currently own, have in the past owned, and may own in the future, certain properties as a result of foreclosure of loans secured by such properties. Tenants of properties we may own may elect to not renew their leases, or to renew them for less space than they currently occupy, which could increase vacancy, place downward pressure on occupancy, rental rates and income and property valuation. All of these factors could have a material adverse effect on any income we could generate, or expenses we could incur, from the ownership of such properties. Moreover, our ability to sell CRE is affected by public perception that banks are inclined to accept large discounts from market value in order to quickly liquidate properties. Any material decrease in market prices may lead to CRE write-downs, with a corresponding expense in our statement of operations. Write-downs on CRE or an inability to sell CRE properties could have a material adverse effect on our future business, results of operations, financial condition and the value of our common stock. Furthermore, the management and resolution of CRE increases our costs and requires significant commitments of time from our management and directors, which can be detrimental to the performance of their other responsibilities.

REIT distribution requirements may adversely impact our ability to carry out our business plan.

To maintain our qualification for taxation as a REIT under the IRC, we are required to satisfy distribution requirements imposed by the IRC. See “Material United States Federal Income Tax Considerations-REIT Qualification Requirements-Annual Distribution Requirements” included in Part I, Item 1 of this Annual Report on Form 10-K. Accordingly, we may not be able to retain sufficient cash to fund our operations, repay our debts or make investments. We may be unable to raise reasonably priced capital because of reasons related to our business, market perceptions of our prospects, the terms of our debt, the extent of our leverage or for reasons beyond our control, such as capital market volatility, high interest rates and other market conditions. Because the earnings we are permitted to retain are limited by the rules governing REIT qualification and taxation, if we are unable to raise reasonably priced capital, we may not be able to carry out our business plan.

Changes in interest rates and credit spreads may significantly reduce our revenues or impede our growth.

Changes in interest rates may be sudden and may significantly reduce our revenues or impede our growth. In efforts to combat rising inflation, the Federal Open Market Committee of the U.S. Federal Reserve, or FOMC, raised interest rates eleven times during 2022 and 2023 and then paused rate increases in the fourth quarter of 2023 following the deceleration of inflationary growth. The FOMC cut interest rates three times in 2024 and three times between September 2025 and December 2025, and it may seek to further reduce interest rates, increase interest rates or maintain current interest rates. Changes in interest rates may materially and negatively affect us in several ways, including:

- Changes in interest rates and credit spreads will affect our net interest income from our investments, which is the difference between the interest income we earn on our interest earning investments and the interest expense we incur in financing our investments;
- Changes in interest rates may affect our ability to make investments as well as borrower default rates. In a period of rising or sustained high interest rates, our interest income on our loan investments will increase; however, defaults on our loan investments may also increase. Our loan agreements typically require our borrowers to obtain interest rate caps to mitigate the risk of default caused by rising financing costs; however, there can be no assurance that these interest rate caps will prevent us from experiencing losses nor that such mechanisms will continue to be employed.

Also, as interest rates increase, the cost of interest rate caps could also increase, which may limit borrowers' ability to afford the loan or increase the risk of default. Additionally, rising or sustained high interest rates may reduce our ability to make investments, as fixed rate financing may be more attractive to potential borrowers or they may forgo or delay obtaining financing. Our operating results depend in large part on differences between the income from our investments, net of credit losses and financing costs. Even when our investments and borrowings are match funded, the income from our investments may respond more slowly to interest rate fluctuations than the cost of our borrowings;

- Amounts outstanding under our Secured Financing Facilities will require interest to be paid by us at floating interest rates. When interest rates increase, our interest costs will increase. In a period of decreasing interest rates, our interest income on our loan investments may decrease. We typically structure our loan investments with benchmark interest rate floors to mitigate this risk; however, there can be no assurance that such floors will be sufficient to prevent material declines in interest income or that we will continue to structure our loan agreements with such floors. Additionally, our Secured Financing Facilities do not have such floors;

- Changes in credit spreads may negatively impact our net interest income from investments. Even when our investments and borrowings are match funded, our net interest income may decline if we are not able to price new investments and borrowings with terms that result in the same or more favorable differences between the credit spreads we charge to our borrowers and the credit spreads we are charged by our lenders; and

- Investors may consider whether to buy or sell our common shares based upon the then distribution rate on our common shares relative to the then prevailing interest rates. If interest rates go up, investors may expect a higher distribution rate than we are able to pay, which may increase our cost of capital, or they may sell our common shares and seek alternative investments that offer higher distribution rates. Sales of our common shares may cause a decline in the market price of our common shares.

Sustainability initiatives, requirements and market expectations may impose additional costs and expose us to new risks.

There remains a continued focus from regulators, investors, tenants and other stakeholders and regulators concerning corporate sustainability. We are, and expect to continue to be, subject to various proposed, new and evolving sustainability laws and requirements adopted by certain states and regulators, including both voluntary and mandatory disclosure requirements that may impact how we conduct business, and we may incur significant costs in compliance with such rules if and when such regulations become effective. Some investors may use ESG factors to guide their investment strategies and, in some cases, may choose not to invest in us, or otherwise do business with us if they believe our, RMR's or Tremont's policies relating to corporate sustainability are not aligned with their own policies. Third party providers of corporate sustainability ratings and reports on companies have increased in number, resulting in varied and in some cases inconsistent standards. If we, RMR or Tremont elect not to or are unable to satisfy the criteria by which companies' corporate responsibility practices are assessed or do not meet the criteria of a specific third party provider, some investors may conclude that our or RMR's policies with respect to corporate sustainability are inadequate. Pursuant to RMR's zero emissions goal, RMR has pledged to reduce its Scope 1 and 2 emissions to net zero by 2050 with a 50% reduction commitment by 2029 from a 2019 baseline. We, RMR and Tremont may face reputational damage in the event that our or their corporate sustainability procedures or standards do not meet the goals that we, RMR or Tremont have set or the standards set by various constituencies.

In addition, there are efforts by some stakeholders and governmental authorities to reduce companies' efforts regarding ESG, including human capital management-related matters, and anti-ESG or anti-diversity, equity and inclusion, or DEI, sentiment has gained momentum across the United States, with several states and governmental authorities enacting or proposing anti-ESG or anti-DEI policies or legislation and filing suits alleging that ESG or DEI measures or initiatives violate law. Additionally, in January 2025, President Trump signed a number of executive orders focused on DEI, which indicate continued scrutiny of DEI initiatives and potential related investigations of certain private entities with respect to DEI initiatives, including publicly traded companies. If our, RMR's and Tremont's practices and programs are deemed to be in contradiction of such initiatives, we and RMR could be subject to government investigations or lawsuits that could negatively impact us, RMR or Tremont and affect our business, financial condition or reputation. Increasingly, different stakeholder groups and government authorities have divergent views on ESG matters, which increases the risk that any action or lack thereof with respect to ESG matters will be perceived negatively by at least some stakeholders or government authorities and adversely impact our reputation and business. If we, RMR or Tremont fail to comply with ESG and anti-ESG related regulations and to satisfy the expectations of investors and other stakeholders or our, RMR's or Tremont's announced goals and other initiatives are not executed as planned, our, RMR's and Tremont's reputation could be adversely affected, and our revenues, results of operations and ability to grow our business may be negatively impacted. In addition, we may incur significant costs in attempting to comply with regulatory requirements, ESG and anti-ESG policies or third party expectations or demands.

We, our borrowers and their tenants are subject to risks from adverse weather, natural disasters and climate events, and costs associated with future legislation designed to address climate change could increase our, our borrowers' and their tenants' costs.

We, our borrowers and their tenants are subject to risks and could be exposed to additional costs from adverse weather, natural disasters and climate events. For example, our borrowers' properties could be severely damaged or destroyed by physical climate risks that could materialize as either singular extreme weather events (such as floods, storms and wildfires) or through long term impacts of climatic conditions (such as precipitation frequency, weather instability and rise of sea levels). Such events could also adversely impact our borrowers and their tenants and cause significant losses if the businesses at our collateral properties cannot be operated due to damage resulting from such events. Further, legislation to address climate change could increase utility costs and other costs of operating properties which, if not offset by rising rental income, could reduce the net operating income at our borrowers' properties and impact their ability to repay our loans. If we, our borrowers or their tenants fail to adequately prepare for adverse weather, natural disasters and climate events, or costs at our borrowers' properties increase as a result of future legislation designed to address climate change, net operating income from operations of our borrowers' properties' businesses may decrease, our borrowers' ability to repay our loans may be impaired, risks of default and foreclosure may increase and our results of operations and financial condition may be materially adversely impacted.

We and Tremont are subject to state licensing requirements and our or Tremont's failure to be properly licensed may have a material adverse effect on our operations.

We or Tremont are required to hold licenses in certain U.S. states to conduct lending activities, and we or Tremont may be required to hold licenses from additional U.S. states in the future. State licensing statutes vary from state to state and may prescribe or impose, among other things:

- various recordkeeping requirements;
- restrictions on loan origination and servicing practices, including limits on finance charges and the type, amount and manner of charging fees;
- disclosure requirements;
- requirements that licensees submit to periodic examination;
- surety bond and minimum specified net worth requirements;
- periodic financial reporting requirements;
- notification requirements for changes in principal officers, share ownership or corporate control;
- restrictions on advertising; and
- requirements that loan forms be submitted for review.

There is no guarantee that we or Tremont will be able to obtain these licenses, and efforts to obtain and maintain such licenses may cause us to incur significant expenses. Any failure to be properly licensed under state law or otherwise may have a material adverse effect on us and our operations.

Changes in laws or regulations governing our operations, changes in the interpretation thereof or newly enacted laws or regulations and any failure by us to comply with these laws or regulations, could require changes to certain of our business practices, negatively impact our operations, cash flow or financial condition, impose additional costs on us or otherwise adversely affect our business.

We are subject to laws and regulations at the local, state and federal levels. These laws and regulations, as well as their interpretation, may change from time to time, and new laws and regulations may be enacted. Changes in these laws or regulations or their interpretation, or newly enacted laws or regulations, could require us to change our business practices or introduce us to new or increased competition, which may impose additional costs on us or otherwise adversely affect our business.

For example, various laws and regulations currently exist that restrict the investment activities of banks and certain other financial institutions but do not apply to us. We believe this regulatory difference may create opportunities for us to successfully grow our business. There has been increasing commentary amongst regulators and intergovernmental institutions on the role of nonbank institutions in providing credit and, particularly, so-called "shadow banking," a term generally referring to credit intermediation involving entities and activities outside the regulated banking system and increased oversight and regulation of such entities. In the United States, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 established the Financial Stability Oversight Council, or the FSOC, which is comprised of representatives of all the major U.S. financial regulators, to act as the financial system's systemic risk regulator. Since December 2019, FSOC has focused its systemically important designation approach for nonbank financial companies on an activities-based approach under which an individual firm would only be so designated if it determined that efforts to address the financial stability risks of that firm's activities by its primary federal and state regulators have been insufficient. FSOC and a number of other regulators and international organizations are continuing to study the shadow banking system. Compliance with any increased regulation of nonbank credit extensions could adversely impact the implementation of our investment strategy and our returns. In an extreme eventuality, it is possible that such regulations could cause us to cease operations. In addition, the Biden Administration took a more active approach to economic and financial regulation than the first Trump Administration, particularly to promote policy goals involving climate change, racial equity, ESG matters, cybersecurity, consumer financial protection and infrastructure. We cannot predict the ultimate content, timing or effect of legislative and/or regulatory action under the second Trump Administration nor the impact of such changes on our business and operations.

Further, loans that we originate or acquire may be subject to U.S. federal, state or local laws. Real estate lenders and borrowers may be responsible for compliance with a wide range of laws intended to protect the public interest, including, without limitation, the Americans with Disabilities Act and local zoning laws.

If we or Tremont fail to comply with such laws in relation to a loan that we have originated or acquired, legal penalties may be imposed, which could materially and adversely affect us. Jurisdictions with "one action," "security first" and/or "anti-deficiency rules" may limit our ability to foreclose on a collateral property or to realize on obligations secured by a collateral property. In the future, new laws may be enacted or imposed by U.S. federal, state or local governmental entities, and such laws could have a material adverse effect on us and our operations.

Additionally, legislative or other actions relating to taxes could have a negative effect on us. The rules dealing with U.S. federal, state and local taxation are constantly under review by persons involved in the legislative process and by the IRS, the U.S. Department of the Treasury, or the Treasury, and other taxation authorities. We cannot predict with certainty how any changes in the tax laws might affect us, our shareholders, or our borrowers. New legislation, Treasury regulations, administrative interpretations or court decisions could significantly and negatively affect our ability to remain qualified for taxation as a REIT or the tax consequences of such qualification to us and our shareholders.

In the future, changes in laws or regulations governing our operations, changes in the interpretation thereof or newly enacted laws or regulations and any failure by us to comply with these laws or regulations, could have a materially adverse effect on our business.

We may be subject to lender liability claims and, if we are held liable under such claims, we could be subject to losses.

A number of judicial decisions have recognized the rights of borrowers to sue lending institutions on the basis of various evolving legal theories, collectively termed "lender liability". Generally, lender liability is founded on the premise that a lender has either violated a duty, whether implied or contractual, of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. We cannot be sure that such claims will not arise or that we will not be subject to significant liability and losses if claims of this type arise.

Insurance proceeds with respect to a property may not cover all losses, which could result in the corresponding non-performance of or loss on our investment related to such property.

We generally require that each of the borrowers under our CRE debt investments obtain comprehensive insurance covering the collateral, including liability, fire and extended coverage. We also generally obtain insurance directly on any property we acquire. However, there are certain types of losses, generally losses of a catastrophic nature, such as those caused by hurricanes, flooding, climate change, volcanic eruptions and earthquakes, among other things, losses as a result of pandemics or disease outbreaks, or losses from terrorism, sabotage or acts of war, that may be uninsurable or not commercially insurable. We may not obtain, or require borrowers to obtain, certain types of insurance if it is deemed commercially unreasonable. Inflation, changes in zoning and building codes and ordinances, environmental considerations and other factors also might result in insurance proceeds being inadequate to restore an affected property to its condition prior to a loss or to compensate for related losses. The insurance proceeds we receive as a result of losses to the properties that are collateral for our loan investments may not be adequate to restore our economic position after losses affecting our investments. Any uninsured or underinsured loss could result in the loss of cash flow from, and reduce the value of, our investments related to such properties and the ability of the borrowers under such investments to satisfy their obligations to us.

Liability relating to environmental matters may adversely impact the value of our investments.

Under various U.S. federal, state and local laws, an owner or operator of real property may be liable for environmental hazards at, or migrating from, its properties, including those created by prior owners or occupants, existing tenants, abutters or other persons. These laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release of such hazardous substances. The presence of hazardous substances may adversely affect our borrowers' ability to refinance or sell, and the value of, our collateral. If an owner of property underlying one of our investments becomes liable for costs of removal of hazardous substances, the ability of the owner to make payments to us may be reduced. If we foreclose on a property underlying our investments, the presence of hazardous substances on the property may adversely affect our ability to sell the property and we may incur substantial remediation costs, causing us to experience losses.

We may not have control over certain of our investments.

Our ability to manage our investments may be limited by the form in which they are made. In certain situations, we may:

- acquire or retain investments subject to rights of senior classes and servicers under intercreditor or servicing agreements;
- acquire or retain only a minority and/or a non-controlling participation in an underlying investment;
- pledge our investments as collateral for financing arrangements;
- co-invest with others through partnerships, joint ventures or other entities, thereby acquiring non-controlling interests; or
- rely on independent third party management or servicing with respect to the management of a particular investment.

We may not be able to exercise control over all aspects of our investments. For example, our rights to control the process following a borrower default may be subject to the rights of senior or junior creditors or servicers whose interests may not be aligned with ours. A partner or co-venturer may have economic or business interests or goals that are inconsistent with ours or may be in a position to take action contrary to our investment objectives. In addition, in certain circumstances we may be liable for the actions of our partners or co-venturers.

RMR and Tremont rely on information technology and systems in their respective operations, and any material failure, inadequacy, interruption or security breach of that technology or those systems could materially harm us.

RMR and Tremont rely on information technology and systems, including the Internet and cloud-based infrastructures and services, commercially available software and their respective internally developed applications, to process, transmit, store and safeguard information and to manage or support a variety of their business processes (including managing our building systems), including financial transactions and maintenance of records, which may include personal identifying information of employees and borrower, guarantor, sponsor and investment data. If we, RMR, Tremont or our or their third party vendors experience material security or other failures, inadequacies or interruptions in our or their information technology systems, we could incur material costs and losses and our operations could be disrupted. RMR takes various actions, and incurs significant costs, to maintain and protect the operation and security of its information technology and systems, including the data maintained in those systems. However, these measures may not prevent the systems' improper functioning or a compromise in security, such as in the event of a cyberattack or the improper disclosure of personally identifiable information.

Security breaches, computer viruses, attacks by hackers, online fraud schemes and similar breaches have created and can create significant system disruptions, shutdowns, fraudulent transfer of assets or unauthorized disclosure of confidential information. The risk of a security breach or disruption, particularly through cyberattack or cyber intrusion, including by computer hackers, foreign governments and cyber terrorists, has generally increased as the intensity and sophistication of attempted attacks and intrusions from around the world have increased. The cybersecurity risks to us, RMR, Tremont and third party vendors are heightened by, among other things, the evolving nature of the threats faced, advances in computer capabilities, new discoveries in the field of cryptography and new and increasingly sophisticated methods used to perpetrate illegal or fraudulent activities, including cyberattacks, email or wire fraud and other attacks exploiting security vulnerabilities in RMR's, Tremont's or other third parties' information technology networks and systems or operations. Although most of RMR's and Tremont's staff work from RMR's offices for a majority of the work week, flexible working arrangements have resulted in increased remote working. This and other possible changing work practices have adversely impacted, and may in the future adversely impact, RMR's, Tremont's or other third parties' abilities to maintain the security, proper function and availability of their respective information technology and systems since remote working by their employees could strain their respective technology resources and introduce operational risk, including heightened cybersecurity risk. Remote working environments may be less secure and more susceptible to hacking attacks, including phishing and social engineering attempts that have sought, and may seek, to exploit remote working environments. In addition, RMR's, Tremont's or other third parties' data security, data privacy, investor reporting and business continuity processes could be impacted by a third party's inability to perform in a remote work environment or by the failure of, or attack on, their information systems and technology.

Public companies are required to disclose material cybersecurity incidents on Form 8-K and periodic disclosure of a registrant's cybersecurity risk management, strategy, and governance in annual reports. With the SEC's continued focus on cybersecurity, we expect increased scrutiny of our policies and systems designed to manage our cybersecurity risks and our related disclosures.

Any failure by RMR, Tremont or other third party vendors to maintain the security, proper function and availability of their respective information technology and systems or to adequately protect personal data, or any failure by RMR, Tremont or other third party vendors to provide the appropriate regulatory and other notifications in a timely manner could result in financial losses, interrupt our operations, damage our reputation, cause us to be in default of material contracts and subject us to liability claims or regulatory penalties, any of which could materially and adversely affect our business and the value of our securities.

RMR incorporates artificial intelligence into some of its business workflows and processes, and challenges with properly managing its use could result in reputational harm, competitive harm, legal liability, and increased regulatory costs and could adversely affect our results of operations.

RMR uses generative artificial intelligence and/or machine learning technologies, or collectively, AI Technologies, to enhance certain workflows and processes used in its business, and its research into and continued deployment of such capabilities remain ongoing. AI Technologies are evolving, and the introduction and incorporation of AI Technologies may result in unintended consequences or other new or expanded risks and liabilities and RMR may not be able to anticipate, prevent, mitigate or remediate all potential risks and liabilities. If the content, analyses or recommendations that AI Technologies applications assist in producing are, or are alleged to be, deficient, inaccurate or biased, such as due to limitations in AI Technologies algorithms, insufficient or biased base data or flawed training methodologies, our business, financial condition, results of operations and reputation may be adversely affected. Additionally, AI Technologies are continuously evolving, and RMR may adopt and deploy AI Technologies that could become obsolete earlier than expected, and there can be no assurance that we will realize the desired or anticipated benefits from AI Technologies. Also, our competitors or other third parties may incorporate AI Technologies into their products and services more quickly or more successfully than RMR, which could impair our ability to compete effectively and adversely affect our results of operations. The use of AI Technologies applications to support business processes carries inherent risks related to data privacy and security, such as unintended or inadvertent transmission of proprietary or sensitive information, including personal data. AI Technologies present emerging ethical issues, and RMR may be unsuccessful in identifying and resolving these issues before they arise. If RMR's use of AI Technologies becomes controversial, it may experience brand or reputational harm, competitive harm, or legal liability. There is uncertainty in the legal and regulatory landscape for AI Technologies, which is not fully developed, and any laws, regulations or industry standards adopted in response to the emergence of AI Technologies may be burdensome, could entail significant costs and may restrict or impede RMR's ability to successfully develop, adopt and deploy AI Technologies efficiently and effectively.

Risks Relating to Our Financing

We have debt and expect to incur additional debt, and our governing documents contain no limit on the amount of debt we may incur.

As of December 31, 2025, our debt under our Secured Financing Facilities represented 59.5% of our total assets. Subject to market conditions and availability, we expect to incur additional debt through our Secured Financing Facilities or other repurchase or credit facilities (including term loans and revolving facilities), public and private debt issuances or financing arrangements that we may enter into in the future. The amount of leverage we use will vary depending on our available investment opportunities, our available capital, our ability to obtain and access financing arrangements with lenders and the lenders' and our estimate of the stability of our loan portfolio's cash flow. Our governing documents contain no limit on the amount of debt we may incur, and we may significantly increase the amount of leverage we utilize at any time without approval of our shareholders. The amount of leverage on individual assets may vary, with leverage on some assets substantially higher than others. Leverage can enhance our potential returns but can also exacerbate our losses.

Incurring substantial debt could subject us to many risks that, if realized, would materially and adversely affect us, including the risk that:

- our cash flow from operations may be insufficient to make required payments of principal and interest on the debt or we may fail to comply with covenants contained in our Secured Financing Facilities, which would likely result in: (1) acceleration of such debt (and any other debt arrangements containing a cross default or cross acceleration provision) that we may be unable to repay from internal funds or to refinance on favorable terms, or at all; (2) our inability to borrow unused or undrawn amounts under our Secured Financing Facilities, even if we are current in payments on borrowings under those arrangements; and/or (3) the loss of some or all of our assets to foreclosures or forced sales;

- our debt may increase our vulnerability to adverse economic, market and industry conditions with no assurance that our investment yields will increase to match our higher financing costs;

- we may be required to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing funds available for operations, future business opportunities, distributions to our shareholders or other purposes; and

- we may not be able to refinance maturing debts.

We cannot be sure that our leverage strategies will be successful.

The duration of our debt leverage and our investments may not match.

We generally intend to structure our debt leverage so that we minimize the difference between the term of our investments and the term of the leverage we use to finance them; however, we may not succeed in doing so. In the event that our leverage is for a shorter term than our investments, we may not be able to extend or find appropriate replacement leverage, which could require us to sell certain investments before we otherwise might. The risks of duration mismatches are magnified by the potential for the extension of loans in order to maximize the likelihood and magnitude of their recovery value in the event the loans experience credit or performance challenges; use of these asset management practices would effectively extend the duration of our investments, while our liabilities may have set maturity dates.

We intend to structure our leverage so that we minimize the difference between the index of our investments and the index of our debt leverage, by financing floating rate investments with floating rate leverage. Our attempts to mitigate the risk of a mismatch with the duration or index of our investments and leverage will be subject to factors outside of our control, such as the availability to us of favorable financing and hedging options, and we may not be successful.

Our Secured Financing Facilities require us to comply with restrictive covenants and any future financings may require us to comply with similar or more restrictive covenants.

We are subject to various restrictive covenants contained in our Secured Financing Facilities and we may be subject to similar or additional covenants in connection with future financing arrangements. Our Secured Financing Facilities require us to maintain compliance with various financial covenants, including a minimum tangible net worth and cash liquidity, and specified financial ratios, such as total debt to tangible net worth and a minimum interest coverage ratio. Financing arrangements that we may enter into in the future may contain similar or more restrictive covenants. These covenants may limit our flexibility to pursue certain investments or incur additional debt. If we fail to meet or satisfy any of these covenants, we may be in default under the agreements governing the applicable arrangements, and our lenders could elect to accelerate our obligation to repurchase certain assets, declare outstanding amounts due and payable, terminate their commitments, require the posting of additional collateral or enforce their rights against existing collateral.

We may also be subject to cross default and acceleration rights and, with respect to collateralized debt, the posting of additional collateral or foreclosure upon default. These covenants and restrictions could also make it difficult for us to satisfy the requirements necessary to maintain our qualification for taxation as a REIT under the IRC.

Our Secured Financing Facilities require, and the agreements governing any additional repurchase or bank credit facilities or debt arrangements that we may enter into may require, us to provide additional collateral or pay down debt.

Our Secured Financing Facilities and any additional repurchase or bank credit facilities or debt arrangements that we may enter into to finance future investments may involve the risk that the value of the investments sold by us or pledged to the provider of such repurchase or bank credit facilities or debt arrangements may decline, and, in such circumstances, we would likely be required to provide additional collateral or to repay all or a portion of the funds advanced thereunder. With respect to our Master Repurchase Facilities, UBS, Citibank and Wells Fargo have sole discretion to determine the market value of the investments that serve as collateral under these facilities for purposes of determining whether we are required to pay margin to UBS, Citibank and Wells Fargo. Where a decline in the value of collateral results in a margin deficit, UBS, Citibank and Wells Fargo may require us to eliminate that margin deficit through a combination of purchased asset repurchases and cash transfers to UBS, Citibank and Wells Fargo, respectively, subject to UBS's, Citibank's or Wells Fargo's respective approval. We may not have funds available to eliminate any such margin deficit and may be unable to raise funds from alternative sources on favorable terms or at all, which would likely result in a default under any such master repurchase agreement. In the event of any such default, UBS, Citibank and Wells Fargo could accelerate our outstanding debts and terminate our ability to obtain additional advancements under the applicable master repurchase facility, and our financial condition and prospects would be materially and adversely affected. Any repurchase facility arrangements that we may enter into in the future would likely contain similar provisions. In addition, if any of our current or future lenders file for bankruptcy or become insolvent, our investments that serve as collateral under the applicable repurchase or bank credit facility or debt arrangement may become subject to bankruptcy or insolvency proceedings, thus depriving us, at least temporarily, of the benefit of those assets. Such an event could restrict our access to additional debt arrangements and, therefore, increase our cost of capital. Lenders under any future repurchase or bank credit facilities or debt arrangements may also require us to maintain a certain amount of cash or set aside assets sufficient to maintain a specified liquidity position that would allow us to satisfy our collateral obligations. If we are unable to meet any such collateral obligations, our financial condition and prospects could deteriorate rapidly.

Any default in a repurchase agreement may cause us to experience a loss.

If any counterparty to a repurchase transaction under a repurchase agreement or the counterparty to any other repurchase financing arrangement we may enter defaults on its obligation to resell the underlying asset back to us at the end of the transaction term, or if the value of the underlying asset has declined as of the end of that term, or if we default on our obligations under such repurchase agreement, we may incur a loss on such repurchase transaction.

Risks Relating to Our Relationships with Tremont and RMR

We are dependent upon Tremont and its personnel. We may be unable to find suitable replacements if our management agreement is terminated.

We do not have an office separate from Tremont and do not have any employees. Our executive officers also serve as officers of Tremont and of RMR. Tremont itself has limited resources and is dependent upon facilities and services available to Tremont under its shared services agreement with RMR. Tremont is not obligated to dedicate any specific personnel exclusively to us, and RMR is not obligated to dedicate any specific personnel to Tremont for services for us or otherwise. Although Tremont is not currently providing management services to any other mortgage REIT, it may in the future provide management services to other mortgage REITs or to other clients that compete with us. Our officers are not obligated to dedicate any specific portion of their time to our business.

Our officers have responsibilities for other companies to which RMR provides management services and may in the future have responsibilities for other companies to which Tremont may provide management services. As a result, our officers may not always be able to devote sufficient time to the management of our business, and we may not receive the level of support and assistance that we would receive if we were internally managed or if we had different management arrangements. The term of our management agreement renews for successive one-year periods, subject to non-renewal in accordance with the agreement. If our management agreement or Tremont's shared services agreement with RMR is terminated and no suitable replacement is found, we may not be able to continue in our business.

Tremont has broad discretion in operating our day to day business.

Tremont is authorized to follow broad operating and investment guidelines and, therefore, has discretion in identifying investments that will be appropriate for us, as well as our individual operating and investment decisions. Our Board of Trustees periodically reviews our operating and investment guidelines and our operating activities, investments and financing arrangements, but our Board of Trustees does not review or approve each decision made by Tremont on our behalf. In addition, in conducting periodic reviews, our Board of Trustees relies primarily on information provided to it by Tremont. Tremont may exercise its discretion in a manner that results in investment returns that are substantially below expectations or that results in losses.

Our management structure and agreements and relationships with Tremont and RMR and RMR's and its controlling shareholder's relationships with others may create conflicts of interest, or the perception of such conflicts, and may restrict our investment activities.

We are subject to conflicts of interest arising out of our relationship with Tremont, RMR, their affiliates and entities to which they provide management services. Tremont is a subsidiary of RMR, which is the majority owned operating subsidiary of RMR Inc. One of our Managing Trustees and Chair of our Board of Trustees, Adam Portnoy, is the sole trustee, an officer and the controlling shareholder of ABP Trust, which is the controlling shareholder of RMR Inc., and he is also a director of Tremont, the chair of the board of directors, a managing director and the president and chief executive officer of RMR Inc., and an officer and employee of RMR. He is also a managing director or managing trustee of all the other public companies to which RMR or its subsidiaries provide management services, including us.

Matthew P. Jordan, our other Managing Trustee, is a director and the president and chief executive officer of Tremont, and an officer of RMR Inc., and an officer and employee of RMR. Thomas J. Lorenzini, our President and Chief Investment Officer, is an officer of RMR and an officer and employee of Tremont. Matthew C. Brown, our Chief Financial Officer and Treasurer, is an officer of RMR Inc., an officer and employee of RMR and an officer of Tremont. Messrs. Portnoy, Jordan, Lorenzini and Brown have duties to RMR and to Tremont, as well as to us, and we do not have their undivided attention. They and other RMR personnel may have conflicts in allocating their time and resources between us and RMR and other companies to which RMR or its subsidiaries provide services. Certain of our Independent Trustees also serve as independent directors or independent trustees of other public companies to which RMR or its subsidiaries provide management services.

Tremont, RMR, their affiliates and the entities to which they provide management services are generally not prohibited from competing with us. In addition, Tremont, RMR and their subsidiaries may sponsor or manage other funds, REITs or other entities, including entities that make investments similar to the investments we make, and including entities in which Tremont or its affiliates or personnel may have a controlling, sole or substantial economic interest. As a result, conflicts of interests may exist for Tremont, RMR and their affiliates with respect to the allocation of investment opportunities. In our management agreement, we specifically acknowledge these conflicts of interest and agree that Tremont, RMR and their affiliates may resolve such conflicts in good faith and in their fair and reasonable discretion and may allocate investments, including those within our investment objectives, to RMR and its other clients, including clients in which Tremont, its affiliates or their personnel may have a controlling, substantial economic or other interest. Accordingly, we may lose investment opportunities to, and may compete for investment opportunities with, other businesses managed by Tremont, RMR or their subsidiaries. In addition to the fees payable to Tremont under our management agreement, Tremont and its affiliates may benefit from other fees paid to it in respect of our investments. For example, if we securitize some of our CRE loans, Tremont or its affiliates may act as the collateral manager for such securitization. In any of these or other capacities, Tremont and its affiliates may receive fees for their services if approved by a majority of our Independent Trustees. In the case of a conflict involving the allocation of investment opportunities among advisory clients of Tremont, Tremont will endeavor to allocate such investment opportunities in a fair and equitable manner, consistent with Tremont's allocation policies, taking into account such factors as it deems appropriate. With respect to mortgage loan investments, which are the only types of investment opportunity that may be appropriate for more than one advisory client of Tremont, Tremont has established an investment committee that is responsible for evaluating mortgage loan origination opportunities and making determinations as to whether to move forward with funding a loan, taking into account advisory clients' investment considerations. In circumstances in which an investment opportunity, after taking into account advisory clients' investment considerations, is deemed appropriate for more than one advisory client, Tremont will generally allocate such opportunity on a rotational basis. We are currently the only mortgage REIT to which Tremont is providing management services, but Tremont may provide management services to other mortgage REITs in the future.

In addition, we may in the future enter into additional transactions with Tremont, RMR, their affiliates or entities managed by them or their subsidiaries. In particular, we may provide financing to entities managed by Tremont, RMR or their subsidiaries, or co-invest with, purchase assets from, sell assets to or arrange financing from any such entities. In addition to his investments in RMR Inc. and RMR, Adam Portnoy holds equity investments in other companies to which RMR or its subsidiaries provide management services and some of these companies have significant cross ownership interests, including, for example: as of December 31, 2025, Mr. Portnoy beneficially owned, in aggregate, 22.5% of our outstanding common shares (including through Tremont and ABP Trust). Our executive officers may also own equity investments in other companies to which Tremont, RMR or their subsidiaries provide management services. These multiple responsibilities, relationships and cross ownerships may give rise to conflicts of interest or the perception of such conflicts of interest with respect to matters involving us, RMR Inc., RMR, our Managing Trustees, the other companies to which RMR or its subsidiaries provide management services and their related parties. Conflicts of interest or the perception of conflicts of interest could have a material adverse impact on our reputation, business and the market price of our common shares and other securities and we may be subject to increased risk of litigation as a result.

We cannot be sure that our Code of Conduct, governance guidelines, investment allocation policy or other procedural protections we adopt will be sufficient to enable us to identify, adequately address or mitigate actual or alleged conflicts of interest or ensure that our transactions with related persons are made on terms that are at least as favorable to us as those that would have been obtained with an unrelated person.

Our management agreement's fee and expense structure may not create proper incentives for Tremont.

We are required to pay Tremont base management fees regardless of the performance of our loan portfolio. Tremont's entitlement to a base management fee is based only in part upon our performance or results, which might reduce its incentive to devote its time and effort to seeking investments that provide attractive, risk adjusted returns for us. Because the base management fees are also based in part on our outstanding equity, Tremont may be incentivized to advance strategies that increase our equity capital. Increasing our equity capital through the sale of our common shares will likely be dilutive to our existing shareholders and may not improve returns for those shareholders or the market price of our common shares. In addition, Tremont may earn incentive fees each quarter based on our Distributable Earnings in a specified period in excess of a specified return. This may create an incentive for Tremont to invest in assets with higher yield potential, which are generally riskier or more speculative, or to sell assets prematurely for a gain in an effort to increase our near term net income and thereby increase the incentive fees to which Tremont is entitled. This incentive fee formula may encourage Tremont to recommend investments or take other actions which result in losses to us. In addition, we are required to pay or to reimburse Tremont for all costs and expenses of our operations (other than the costs of Tremont's employees who provide services to us), including, but not limited to, the costs of rent, utilities, office furniture, equipment, machinery, facilities and other overhead type expenses, the costs of legal, accounting, auditing, tax planning and tax return preparation, consulting services, diligence costs related to our investments, investor relations expenses and other professional services, personnel and support shared by Tremont and other costs and expenses not specifically required under our management agreement to be borne by Tremont, and other costs our Independent Trustees may agree to. Some of these overhead, professional and other services are provided by RMR pursuant to a shared services agreement between Tremont and RMR. We are also obligated to pay our pro rata share of RMR's costs for providing our internal audit function. Our obligation to reimburse Tremont for certain shared services costs may reduce Tremont's incentive to efficiently manage those costs, which may increase our costs.

Our management agreement is between related parties and its terms may be less favorable to us than if they had been negotiated on an arm's length basis with an unrelated party.

Our management agreement is between related parties and its terms, including the fees payable to Tremont, may be less favorable to us than if they had been negotiated on an arm's length basis with an unrelated party. Pursuant to the terms of our management agreement, we are required to reimburse Tremont for the fees and other costs it pays to RMR for shared services RMR provides with respect to us. Because of the relationships among Tremont and RMR and us, the terms of our management agreement were not negotiated on an arm's length basis, and we cannot be sure that these terms are as favorable to us as they would have been if they had been negotiated on an arm's length basis with an unrelated party.

Terminating our management agreement without a cause event may be difficult and will require our payment of a substantial termination fee.

Termination of our management agreement without a cause event will be difficult and costly. Our Independent Trustees will review Tremont's performance and the management fees annually and, our management agreement may be terminated annually without a cause event upon the affirmative vote of at least two-thirds of our Independent Trustees based upon a determination that: (1) Tremont's performance is unsatisfactory and materially detrimental to us; or (2) the base management fee and incentive fee, taken as a whole, payable to Tremont are not fair to us (in the case of (2), provided that Tremont will be afforded the opportunity to renegotiate the base management fee and incentive fee prior to termination). We will be required to provide Tremont with prior written notice of any such termination by not later than 180 days prior to the expiration of the term of the agreement.

Additionally, in the event our management agreement is terminated by us without a cause event or by Tremont for a material breach, we will be required to pay Tremont a termination fee equal to (i) three times the sum of (a) the average annual base management fee and (b) the average annual incentive fee, in each case paid or payable to Tremont during the twenty-four (24) month period immediately preceding the most recently completed calendar quarter prior to the date of termination, plus (ii) $1.6 million. We acquired Tremont Mortgage Trust, or TRMT, by merger in 2021, or the Merger. In connection with the Merger and the termination of TRMT's management agreement with Tremont, we agreed that certain of the expenses Tremont had paid pursuant to such management agreement will be included in the "Termination Fee" under and as defined in our existing management agreement with Tremont. These provisions increase the cost to us of terminating our management agreement and adversely affect our ability to terminate Tremont or not renew our management agreement without a cause event. These terms of our management agreement may discourage a change of control of us, including a change of control which might result in payment of a premium for our common shares.

Tremont does not guaranty our performance; moreover, we could experience poor performance or losses for which Tremont would not be liable. Tremont's liability is limited under our management agreement, and we have agreed to indemnify Tremont against certain liabilities.

Tremont maintains a contractual as opposed to a fiduciary relationship with us. Tremont does not guaranty our performance. Pursuant to our management agreement, Tremont does not assume any responsibility other than to render the services called for thereunder in good faith and is not responsible for any action of our Board of Trustees in following or declining to follow its advice or recommendations. We could experience poor performance or losses for which Tremont would not be liable. Under the terms of our management agreement, Tremont and its affiliates, including RMR, and their respective directors, trustees, officers, shareholders, owners, members, managers, employees and personnel will not be liable to us or any of our Trustees, shareholders or subsidiaries for any acts or omissions related to the provision of services to us under our management agreement, except by reason of acts or omissions that are proved to constitute bad faith, fraud, intentional misconduct, gross negligence or reckless disregard of the duties of Tremont under our management agreement. In addition, under the terms of our management agreement, we agree to indemnify, hold harmless and advance expenses to Tremont and its affiliates, including RMR, and their respective directors, trustees, officers, shareholders, owners, members, managers, employees and personnel from and against all expenses, losses, damages, liabilities, demands, charges and claims of any nature whatsoever, including all reasonable attorneys', accountants', and experts' fees and expenses, arising from acts or omissions related to the provision of services to us or the performance of any matter pursuant to an instruction by our Board of Trustees, except to the extent it is proved that such acts or omissions constituted bad faith, fraud, intentional misconduct, gross negligence or reckless disregard of the duties of Tremont under our management agreement. Such persons will also not be liable for trade errors that may result from ordinary negligence, including errors in the investment decision making or trade process.

Tremont may change its processes for identifying, evaluating and managing investments and the personnel performing those functions for us without our or our shareholders' consent at any time.

Tremont may change its personnel and processes for identifying, evaluating and managing investments for us without our or our shareholders' consent at any time. In addition, we cannot be sure that Tremont will follow its processes. Changes in Tremont's personnel and processes may result in fewer investment opportunities for us, inferior diligence and underwriting standards or adversely affect the collection of payments on, and the preservation of our rights with respect to, our investments, any of which may adversely affect our operating results.

Our management agreement permits our Trustees and officers, Tremont and its affiliates, including RMR, and their respective directors, trustees, officers, agents and employees to retain business opportunities for their own benefit and to compete with us.

In recognition of the fact that our Trustees and officers, Tremont and its affiliates, including RMR, and their respective directors, trustees, officers, agents and employees may engage in other activities or lines of business similar to those in which we engage, our management agreement provides that if such a person acquires knowledge of a potential business opportunity, we renounce, on our behalf and on behalf of our subsidiaries, any potential interest or expectation in, or right to be offered or to participate in, such business opportunity to the maximum extent permitted by Maryland law. Accordingly, to the maximum extent permitted by Maryland law: (1) no such person is required to present, communicate or offer any business opportunity to us or any subsidiaries; and (2) such persons, on their own behalf and on behalf of Tremont, any affiliate of such person or Tremont and any other person to which such person, RMR or any of their subsidiaries provide management services, will have the right to hold and exploit any business opportunity, or to direct, recommend, offer, sell, assign or otherwise transfer such business opportunity to any person other than us. Consequently, our management agreement permits our Trustees and officers and Tremont and its affiliates, including RMR, to engage in activities that compete with us.

Disputes with Tremont may be referred to binding arbitration, which follow different procedures from in-court litigation and may be more restrictive to shareholders asserting claims than in-court litigation.

Our management agreement with Tremont provides that any dispute arising thereunder will be referred to mandatory, binding and final arbitration proceedings if we, or any other party to such dispute, unilaterally so demands. As a result, we and our shareholders would not be able to pursue litigation in state or federal court against Tremont, if we or any other parties against whom the claim is made unilaterally demand the matter be resolved by arbitration. In addition, the ability to collect attorneys' fees or other damages may be limited in the arbitration proceedings, which may discourage attorneys from agreeing to represent parties wishing to bring such litigation.

We may be at an increased risk for dissident shareholder activities and shareholder litigation due to perceived conflicts of interest arising from our management structure and relationships.

Companies with business dealings with related persons and entities may more often be the target of dissident shareholder trustee nominations, dissident shareholder proposals and shareholder litigation alleging conflicts of interest in their business dealings. Our relationships with Tremont, RMR, their affiliates and entities to which they provide management services, Adam Portnoy and other related persons of RMR may precipitate such activities. Shareholder litigation and dissident shareholder activities, if instituted against us, could result in substantial costs, and diversion of our management's attention and could have a material adverse impact on our reputation and business.

Tremont is subject to extensive regulation as an investment adviser, which could adversely affect its ability to manage our business.

Tremont is subject to regulation as an investment adviser by various regulatory authorities that are charged with protecting the interests of its clients, including us. Tremont could be subject to civil liability, criminal liability or sanction, including revocation of its registration as an investment adviser, censures, fines or temporary suspension or permanent bar from conducting business, if it is found to have violated any of the laws or regulations governing investment advisers. Any such liability or sanction could adversely affect Tremont's ability to manage our business. Tremont must continually address conflicts between its interests and those of its clients, including us. In addition, the SEC and other regulators have increased their scrutiny of conflicts of interest. Tremont has procedures and controls that are reasonably designed to address these issues. However, appropriately dealing with conflicts of interest is complex and difficult and if Tremont fails, or appears to fail, to deal appropriately with conflicts of interest, it could face litigation or regulatory proceedings or penalties, any of which could adversely affect its ability to manage our business.

Risks Relating to Our Organization and Structure

Ownership limitations and certain provisions in our declaration of trust and bylaws, as well as certain provisions of Maryland law, may deter, delay or prevent a change in our control or unsolicited acquisition proposals.

Our declaration of trust prohibits any shareholder, other than Tremont, RMR and their respective affiliates (as defined) and certain persons who have been exempted by our Board of Trustees, from owning, directly and by attribution, more than 9.8% (in value or number of shares, whichever is more restrictive) of any class or series of our outstanding shares of beneficial interest, including our common shares. This provision of our declaration of trust is intended to, among other purposes, assist with our REIT compliance under the IRC and otherwise promote our orderly governance. However, this provision may also inhibit acquisitions of a significant stake in us and may deter, delay or prevent a change of control of us or unsolicited acquisition proposals that a shareholder may consider favorable. Additionally, provisions contained in our declaration of trust and bylaws or under Maryland law may have a similar impact, including, for example, provisions relating to:

- the division of our Trustees into three classes, with the term of one class expiring each year;
- limitations on shareholder voting rights with respect to certain actions that are not approved by our Board of Trustees;
- the authority of our Board of Trustees, and not our shareholders, to adopt, amend or repeal our bylaws and to fill vacancies on our Board of Trustees;
- shareholder voting standards which require a supermajority of shares for approval of certain actions;
- the fact that only our Board of Trustees, or, if there are no Trustees, our officers, may call shareholder meetings and that shareholders are not entitled to act without a meeting;
- required qualifications for an individual to serve as a Trustee and a requirement that certain of our Trustees be "managing trustees" and other Trustees be "independent trustees," as defined in our governing documents;
- limitations on the ability of our shareholders to propose nominees for election as Trustees and propose other business to be considered at a meeting of our shareholders;
- limitations on the ability of our shareholders to remove our Trustees;
- the authority of our Board of Trustees to create and issue new classes or series of shares (including shares with voting rights and other rights and privileges that may deter a change of control of us) and issue additional common shares;

- restrictions on business combinations between us and an interested shareholder that have not first been approved by our Board of Trustees (including a majority of Trustees not related to the interested shareholder); and
- the authority of our Board of Trustees, without shareholder approval, to implement certain takeover defenses.

As changes occur in the marketplace for corporate governance policies, the above provisions may change, be removed, or new ones may be added.

Our rights and the rights of our shareholders to take action against our Trustees and officers are limited.

Our declaration of trust limits the liability of our Trustees and officers to us and our shareholders for money damages to the maximum extent permitted under Maryland law. Under current Maryland law, our Trustees and officers will not have any liability to us and our shareholders for money damages other than liability resulting from actual receipt of an improper benefit or profit in money, property or services or active and deliberate dishonesty by the Trustee or officer that was established by a final judgment as being material to the cause of action adjudicated.

Our declaration of trust and indemnification agreements require us to indemnify, to the maximum extent permitted by Maryland law, any present or former Trustee or officer who is made or threatened to be made a party to a proceeding by reason of his or her service in these and certain other capacities. In addition, we may be obligated to pay or reimburse the expenses incurred by our present and former Trustees and officers without requiring a preliminary determination of their ultimate entitlement to indemnification.

As a result of these limitations on liability and indemnification, we and our shareholders may have more limited rights against our present and former Trustees and officers than might exist with other companies, which could limit shareholder recourse in the event of actions that some shareholders may believe are not in our best interest.

Our bylaws designate the Circuit Court for Baltimore City, Maryland as the sole and exclusive forum for certain actions and proceedings that may be initiated by our shareholders, which could limit our shareholders' ability to obtain a favorable judicial forum for disputes with us or our Trustees, officers, manager or agents.

Our bylaws currently provide that, other than any action arising under the Securities Act of 1933, as amended, or the Securities Act, the Circuit Court for Baltimore City, Maryland will be the sole and exclusive forum for: (1) any Internal Corporate Claim, as such term is defined under the Maryland General Corporation Law; (2) any derivative action or proceeding brought on our behalf; (3) any action asserting a claim for breach of a fiduciary duty owed by any of our Trustees, officers, manager or other agents to us or our shareholders; (4) any action asserting a claim against us or any of our Trustees, officers, manager or other agents arising pursuant to Maryland law, our declaration of trust or bylaws, including any disputes, claims or controversies brought by or on behalf of a shareholder, either on his, her or its own behalf, on our behalf or on behalf of any series or class of our shareholders or shareholders against us or any of our Trustees, officers, manager or other agents, including any claims relating to the meaning, interpretation, effect, validity, performance or enforcement of our declaration of trust or bylaws; or (5) any action asserting a claim against us or any of our Trustees, officers, manager or other agents that is governed by the internal affairs doctrine of the State of Maryland. The exclusive forum provision of our bylaws does not apply to any action for which the Circuit Court for Baltimore City, Maryland does not have jurisdiction. Unless we otherwise consent in writing, to the fullest extent of the law, the sole and exclusive forum for claims that arise under the Securities Act is the federal district courts of the United States of America. Any person or entity purchasing or otherwise acquiring or holding any interest in our common shares shall be deemed to have notice of and to have consented to these provisions of our bylaws, as they may be amended from time to time. The exclusive forum provision of our bylaws may limit a shareholder's ability to bring a claim in a judicial forum that the shareholder believes is favorable for disputes with us or our Trustees, officers, manager, agents or employees, which may discourage lawsuits against us and our Trustees, officers, manager, agents or employees.

We may change our operational, financing and investment policies without shareholder approval and we may become more highly leveraged, which may increase our risk of default under our debt obligations.

Our Board of Trustees determines our operational, financing and investment policies and may amend or revise our policies, including our policies with respect to our intention to maintain our qualification for taxation as a REIT, investments, growth, operations, indebtedness, capitalization and distributions, or approve transactions that deviate from these policies, without a vote of, or notice to, our shareholders. Policy changes could adversely affect the market price of our common shares and our ability to pay distributions to our shareholders. Further, our organizational documents do not limit the amount or percentage of indebtedness, funded or otherwise, that we may incur. Our Board of Trustees may alter or eliminate our current policy on borrowing at any time without shareholder approval. If this policy changes, we could become more highly leveraged, which could result in an increase in our debt service costs. Higher leverage also increases the risk of default on our obligations. In addition, a change in our investment policies, including the manner in which we allocate our resources across our portfolio or the types of investments which we seek to make, may increase our exposure to interest rate risk, CRE lending market fluctuations and liquidity risk.

Our intention to remain exempt from registration under the 1940 Act imposes limits on our operations.

We conduct our operations so that neither we nor any of our subsidiaries is required to register as an investment company under the 1940 Act. We believe we will not be considered an investment company under Section 3(a)(1)(A) of the 1940 Act because we will not engage primarily, or hold ourselves out as being engaged primarily, in the business of investing, reinvesting or trading in securities. We may conduct our business, in whole or in part, through wholly or majority owned subsidiaries. Under Section 3(a)(1)(C) of the 1940 Act, the securities issued by our subsidiaries that are excepted from the definition of "investment company" under Section 3(c)(1) or Section 3(c)(7) of the 1940 Act, together with any other investment securities we may own, may not have a combined value in excess of 40% of the value of our total assets (exclusive of U.S. Government securities and cash items) on an unconsolidated basis. This requirement limits the types of businesses in which we may engage through subsidiaries. In addition, the assets we may originate or acquire are limited by the provisions of the 1940 Act and the rules and regulations promulgated under the 1940 Act, which may adversely affect our business.

If the value of securities issued by our subsidiaries that are excepted from the definition of "investment company" under Section 3(c)(1) or 3(c)(7) of the 1940 Act, together with any other investment securities we own, exceeds 40% of the value of our total assets (exclusive of U.S. Government securities and cash items) on an unconsolidated basis, or if one or more of our subsidiaries fails to maintain an exception or exemption from the 1940 Act, we could, among other things, be required to either: (1) substantially change the manner in which we conduct our operations to avoid being required to register as an investment company under the 1940 Act; or (2) register as an investment company under the 1940 Act, either of which could have an adverse effect on us and the market price of our common shares. If we or any of our subsidiaries were required to register as an investment company under the 1940 Act, the registered entity would become subject to substantial regulation with respect to capital structure (including the ability to use leverage), management, operations, transactions with affiliated persons (as defined in the 1940 Act), portfolio composition, including restrictions with respect to diversification and industry concentration and compliance with reporting, record keeping, voting, proxy disclosure and other rules and regulations that would significantly change our operations.

Failure to maintain our exemption from registration under the 1940 Act also would require us to significantly restructure our investment strategy. For example, because affiliate transactions are generally prohibited under the 1940 Act, we would not be able to enter into transactions with any of our affiliates if we were required to register as an investment company under the 1940 Act, and we might be required to terminate our management agreement with Tremont and any other agreements with affiliates, which could have a material adverse effect on our ability to operate our business and pay distributions. If we were required to register as an investment company but failed to do so, we would be prohibited from engaging in our business, and criminal and civil actions could be brought against us. In addition, our contracts might be unenforceable unless a court required enforcement, and a court could appoint a receiver to take control of us and liquidate our business.

We expect that we and certain of our subsidiaries that we may form in the future will rely upon the exemption from registration as an investment company under the 1940 Act pursuant to Section 3(c)(5)(C) of the 1940 Act, which is available for entities "primarily engaged" in the business of "purchasing or otherwise acquiring mortgages and other liens on and interests in real estate". This exemption generally requires that at least 55% of our or each of our applicable subsidiaries' assets must be comprised of qualifying real estate assets and at least 80% of our or each of our applicable subsidiaries' portfolios must be comprised of qualifying real estate assets and real estate related assets under the 1940 Act. To the extent that we or any of our subsidiaries rely on Section 3(c)(5)(C) of the 1940 Act, we expect to rely on guidance published by the SEC staff or on our analyses of such guidance to determine which assets are qualifying real estate assets and real estate related assets. However, the SEC's guidance is more than 30 years old and was issued in accordance with factual situations that may be different from ours.

We cannot be sure that the SEC staff will concur with our classification of our assets. In addition, the SEC staff may, in the future, issue further guidance that may require us to re-classify our assets for purposes of qualifying for an exemption from registration under the 1940 Act. If we are required to re-classify our assets we may no longer be in compliance with the exclusion from the definition of an "investment company" provided by Section 3(c)(5)(C) of the 1940 Act. To the extent that the SEC staff publishes new or different guidance with respect to any assets we have determined to be qualifying real estate assets, we may be required to adjust our strategy accordingly. In addition, we may be limited in our ability to make certain investments, and these limitations could result in one of our subsidiaries holding assets we might wish to sell or selling assets we might wish to hold.

The SEC has not published guidance with respect to the treatment of CMBS for purposes of the Section 3(c)(5)(C) exemption. Unless we receive further guidance from the SEC or its staff with respect to CMBS, we intend to treat CMBS as a real estate related asset.

We or certain of our subsidiaries may also rely on the exemption provided by Section 3(c)(6) of the 1940 Act. The SEC staff has issued little interpretive guidance with respect to Section 3(c)(6) of the 1940 Act and any future guidance published by the staff may require us to adjust our strategy and our assets accordingly. While we refer generally to "exemption" in this discussion of Section 3(a) and Section 3(c) of the 1940 Act, each of the above referenced provisions technically provides companies with an exclusion from the definition of "investment company" under the 1940 Act, allowing companies to avoid registration as an investment company under the 1940 Act. We intend to structure and conduct our business in a manner that does not require our or our subsidiaries' registration under the 1940 Act and, in so structuring and conducting our business, we may rely on any available exemption from registration, or exclusion from the definition of "investment company," under the 1940 Act.

We determine whether an entity is one of our majority owned subsidiaries. The 1940 Act defines a majority owned subsidiary of a person as a company 50% or more of the outstanding voting securities of which are owned by such person, or by another company which is a majority owned subsidiary of such person. The 1940 Act further defines voting securities as any security presently entitling the owner or holder thereof to vote for the election of directors of a company. We treat companies in which we own a majority of the outstanding voting securities as majority owned subsidiaries for purposes of the 40% test described above. We have not requested the SEC to approve our treatment of any of our subsidiaries as a majority owned subsidiary and the SEC has not done so. If the SEC were to disagree with our treatment of one or more of our subsidiaries as majority owned subsidiaries, we might need to adjust our strategy and our assets in order to continue to pass the 40% test. Any such adjustment in our strategy or assets could have a material adverse effect on us.

We cannot be sure that the laws and regulations governing the 1940 Act status of REITs, including the SEC or its staff providing new or more specific or different guidance regarding these exemptions, will not change in a manner that adversely affects our operations. If we or our subsidiaries fail to maintain an exception or exemption from the 1940 Act, we could, among other things, be required either to: (1) change the manner in which we conduct our operations to avoid being required to register as an investment company under the 1940 Act; (2) sell our assets in a manner that, or at a time when, we would not otherwise choose to do so; or (3) register as an investment company, any of which could negatively affect the sustainability of our business and our ability to pay distributions, which could have an adverse effect on our business and the market price for our common shares.

Risks Relating to Our Taxation

Our failure to remain qualified for taxation as a REIT under the IRC could have significant adverse consequences.

As a REIT, we generally do not pay federal or most state income taxes as long as we distribute all of our REIT taxable income and meet other qualifications set forth in the IRC. However, actual qualification for taxation as a REIT under the IRC depends on our satisfying complex statutory requirements, for which there are only limited judicial and administrative interpretations. We believe that we have been organized and have operated, and will continue to be organized and to operate, in a manner that qualified and will continue to qualify us to be taxed as a REIT under the IRC. However, we cannot be sure that the IRS, upon review or audit, will agree with this conclusion. Furthermore, we cannot be sure that the federal government, or any state or other taxation authority, will continue to afford favorable income tax treatment to REITs and their shareholders.

Maintaining our qualification for taxation as a REIT under the IRC will require us to continue to satisfy tests concerning, among other things, the nature of our assets, the sources of our income and the amounts we distribute to our shareholders. In order to meet these requirements, it may be necessary for us to sell or forgo attractive investments.

If we cease to qualify for taxation as a REIT under the IRC, then our ability to raise capital might be adversely affected, we may be subject to material amounts of federal and state income taxes, our cash available for distribution to our shareholders could be reduced, and the market price of our common shares could decline. In addition, if we lose or revoke our qualification for taxation as a REIT under the IRC for a taxable year, we will generally be prevented from requalifying for taxation as a REIT for the next four taxable years.

Foreclosures may impact our ability to qualify as a REIT and minimize tax liabilities.

In 2023 we assumed legal title to a property through a deed in lieu of foreclosure and, in the future as and when necessary or desirable, we may acquire title to additional real property in full or partial settlement of loan obligations through foreclosure or by deed in lieu of foreclosure. When we acquire a property in this fashion, we consider the impact that taking ownership of such property has on our ability to continue to qualify to be taxed as a REIT as well as any tax liabilities attributable to our operation of such property as a REIT. In some cases, operation of real property will not generate qualifying rents from real property for purposes of the REIT gross income tests absent special structuring (e.g., gross income from operation of a hotel). In appropriate cases, however, we may be eligible to make an election with the IRS to treat property that we take possession of in a foreclosure (or deed in lieu of foreclosure) as "foreclosure property." If, and for so long as, such property qualifies as "foreclosure property" within the meaning of the REIT rules, gross income from such property (even if not normally qualifying REIT gross income) is nevertheless treated as qualifying for purposes of both REIT gross income tests and, in addition, gain from the sale of such property will not be subject to the 100% prohibited transaction tax for dealer sales. Whereas our net income is generally free of corporate-level income tax because we operate as a REIT, our net income with respect to a property for which we have made a foreclosure property election that would not otherwise be qualifying gross income for purposes of the REIT gross income tests will be subject to corporate income tax. In addition, the IRS might argue that a particular property did not qualify for a foreclosure property election or that its status as foreclosure property terminated prematurely, possibly causing us to fail one or both REIT gross income tests or causing any gain from sale of such property to be subject to the prohibited transaction tax.

REIT distribution requirements could adversely affect us and our shareholders.

We generally must distribute annually at least 90% of our REIT taxable income, subject to specified adjustments and excluding any net capital gain, in order to maintain our qualification for taxation as a REIT under the IRC. To the extent that we satisfy this distribution requirement, federal corporate income tax will not apply to the earnings that we distribute, but if we distribute less than 100% of our REIT taxable income, then we will be subject to federal corporate income tax on our undistributed taxable income. We intend to pay distributions to our shareholders to comply with the REIT requirements of the IRC. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we distribute to our shareholders in a calendar year is less than a minimum amount specified under federal tax laws.

From time to time, we may experience timing and other differences, for example on account of income and expense accrual principles under U.S. federal income tax laws, or on account of repaying outstanding indebtedness, whereby our available cash is less than, or does not otherwise correspond to, our taxable income. In addition, the IRC requires that income be taken into account no later than when it is taken into account on applicable financial statements, even if financial statements take such income into account before it would accrue under the original issue discount rules, market discount rules or other rules in the IRC. As a result, from time to time we may not have sufficient cash to meet our REIT distribution requirements. If we do not have other funds available in these situations, among other things, we may borrow funds on unfavorable terms, sell investments at disadvantageous prices or distribute amounts that would otherwise be invested in future acquisitions in order to pay distributions sufficient to enable us to distribute enough of our taxable income to satisfy the REIT distribution requirement and to avoid corporate income tax and the 4% excise tax in a particular year. These alternatives could increase our costs or reduce our shareholders' equity. Thus, compliance with the REIT distribution requirements may hinder our ability to grow, which could cause the market price of our common shares to decline.

We may in the future choose to pay dividends in our common shares, in which case shareholders may be required to pay income taxes in excess of the cash dividends that they receive.

We may in the future distribute taxable dividends that are payable in part in shares. Taxable shareholders receiving such dividends will be required to include the full amount of the dividend as ordinary income to the extent of our current and accumulated earnings and profits for U.S. federal income tax purposes. As a result, shareholders may be required to pay income taxes with respect to these dividends in excess of the cash dividends received. If a shareholder sells our common shares that it receives as a dividend in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our common shares at the time of the sale. Furthermore, with respect to some non-U.S. shareholders, we may be required to withhold U.S. federal income tax with respect to these dividends, including in respect of all or a part of the dividend that is payable in our common shares. In addition, if a significant number of our shareholders determine to sell our common shares in order to pay taxes owed on dividends paid in our common shares, then that may put downward pressure on the trading price of our common shares.

Distributions to shareholders generally will not qualify for reduced tax rates applicable to "qualified dividends."

Dividends payable by U.S. corporations to noncorporate shareholders, such as individuals, trusts and estates, are generally eligible for reduced U.S. federal income tax rates applicable to "qualified dividends." Distributions paid by REITs generally are not treated as "qualified dividends" under the IRC and the reduced rates applicable to such dividends do not generally apply. However, REIT dividends paid to noncorporate shareholders are generally taxed at an effective tax rate lower than applicable ordinary income tax rates due to the availability of a deduction under the IRC for specified forms of income from passthrough entities. More favorable rates will nevertheless continue to apply to regular corporate "qualified" dividends, which may cause some investors to perceive that an investment in a REIT is less attractive than an investment in a non-REIT entity that pays dividends, thereby reducing the demand and market price of our common shares.

Even if we remain qualified for taxation as a REIT under the IRC, we may face other tax liabilities that reduce our cash flow.

Even if we remain qualified for taxation as a REIT under the IRC, we may be subject to federal, state and local taxes on our income and assets, including taxes on any undistributed income, excise taxes, state or local income, property and transfer taxes, such as mortgage recording taxes, and other taxes. Also, some jurisdictions may in the future limit or eliminate favorable income tax deductions, including the dividends paid deduction, which could increase our income tax expense. In addition, in order to meet the requirements for qualification and taxation as a REIT under the IRC, prevent the recognition of particular types of non-cash income, or avert the imposition of a 100% tax that applies to specified gains derived by a REIT from dealer property or inventory, we may hold or dispose of some of our assets and conduct some of our operations through our TRSs or other subsidiary corporations that will be subject to corporate level income tax at regular rates. In addition, while we intend that our transactions with our TRSs will be conducted on arm's length bases, we may be subject to a 100% excise tax on a transaction that the IRS or a court determines was not conducted at arm's length. Any of these taxes would decrease cash available for distribution to our shareholders.

The failure of a mezzanine loan to qualify as a real estate asset could adversely affect our ability to remain qualified for taxation as a REIT under the IRC.

We may originate or acquire mezzanine loans, for which the IRS has provided a safe harbor but not rules of substantive law. Pursuant to the safe harbor, if a mezzanine loan meets specified requirements, it will be treated by the IRS as a real estate asset for purposes of the REIT asset tests, and interest derived from the mezzanine loan will be treated as qualifying mortgage interest for purposes of the 75% gross income test applicable to REITs. We may originate or acquire mezzanine loans that do not meet all of the requirements of this safe harbor. In the event we own a mezzanine loan that does not meet the safe harbor requirements and the IRS successfully challenges the loan's treatment as a real estate asset for purposes of the REIT asset and income tests, then we could fail to remain qualified for taxation as a REIT under the IRC.

We may fail to remain qualified for taxation as a REIT under the IRC if the IRS successfully challenges the treatment of our mezzanine loans as debt for federal income tax purposes or successfully challenges the treatment of our preferred equity investments as equity for federal income tax purposes.

There is limited case law or administrative guidance addressing the treatment of mezzanine loans and preferred equity investments as debt or equity for federal income tax purposes. We expect that any mezzanine loans that we may originate or acquire generally will be treated as debt for federal income tax purposes, and preferred equity investments that we may make generally will be treated as equity for federal income tax purposes, but we do not anticipate obtaining private letter rulings from the IRS or opinions of counsel on the characterization of those investments for federal income tax purposes. If a mezzanine loan is treated as equity for federal income tax purposes, we will be treated as owning the assets held by the partnership or limited liability company that issued the mezzanine loan and we will be treated as receiving our proportionate share of the income of that entity. If that partnership or limited liability company owns nonqualifying assets or earns nonqualifying income, we may not be able to satisfy all of the REIT gross income and asset tests. Alternatively, if the IRS successfully asserts that any preferred equity investment that we may make is debt for federal income tax purposes, then that investment may be treated as a nonqualifying asset for purposes of the 75% asset test and as producing nonqualifying income for the 75% gross income test. In addition, such an investment may be subject to the 10% value test and the 5% asset test, and it is possible that a preferred equity investment that is treated as debt for federal income tax purposes could cause us to fail one or more of the foregoing tests. Accordingly, we could fail to remain qualified for taxation as a REIT under the IRC if the IRS does not respect our classification of our mezzanine loans or preferred equity for federal income tax purposes.

The failure of assets subject to our secured financing agreements to qualify as real estate assets could adversely affect our ability to remain qualified for taxation as a REIT under the IRC.

We have entered into secured financing arrangements that are structured as sale and repurchase agreements pursuant to which we nominally sell assets to the counterparty and simultaneously enter into agreements to repurchase these assets at a later date in exchange for a purchase price. Economically, these agreements are financings that are secured by the assets sold pursuant to the agreement. We believe that we will be treated for REIT asset and income test purposes as the owner of the assets that are the subject of sale and repurchase agreements, notwithstanding that we may transfer record ownership of the assets to the counterparty during the term of an agreement. It is possible, however, that the IRS may assert that we did not own the assets during the term of the applicable sale and repurchase agreement, in which case our qualification for taxation as a REIT may be jeopardized.

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

The REIT provisions of the IRC substantially limit our ability to hedge our assets and liabilities. Any income from a qualifying hedging transaction that we enter into to manage risk of interest rate changes with respect to borrowings made or to be made to acquire or carry real estate assets does not constitute "gross income" for purposes of the 75% or 95% gross income tests that we must satisfy in order to maintain our qualification for taxation as a REIT under the IRC. As a result, a qualifying hedge transaction will neither assist nor hinder our compliance with the 75% and 95% gross income tests. To the extent that we enter into other types of hedging transactions, the income from those transactions is likely to be treated as nonqualifying income for purposes of both of these gross income tests. As a result of these rules, we may limit our use of advantageous hedging techniques or implement some hedges through a TRS. This could increase the cost of our hedging activities because our TRS would be subject to tax on gains or expose us to greater risks associated with changes in the hedged items than we might otherwise want to bear. In addition, losses in our TRS will generally not provide any tax benefit, except for being carried forward and deducted against 80% of future taxable income in the TRS.

We may be required to report taxable income from particular investments in excess of the economic income we ultimately realize from them.

We may acquire debt instruments in the secondary market for less than their face amount. Though the discount at which such debt instruments are acquired may reflect doubts about their ultimate collectability rather than current interest rates, the amount of such discount will nevertheless generally be treated as "market discount" for U.S. federal income tax purposes. Accrued market discount is generally reported as income when, and to the extent that, any payment of principal of the debt instrument is made. Payments on commercial mortgage loans are ordinarily made monthly, and consequently accrued market discount may have to be included in income each month as if the debt instrument were assured of ultimately being collected in full. If we collect less on the debt instrument than our purchase price plus the market discount we had previously reported as income, we may not be able to benefit from any offsetting loss deductions.

Moreover, some of the CMBS that we might acquire may have been issued with original issue discount. We will be required to report such original issue discount based on a constant yield method and will be taxed based on the assumption that all future projected payments due on such CMBS will be made. If such CMBS turns out not to be fully collectable, an offsetting loss deduction will become available only in the later year that uncollectability is provable.

Finally, in the event that any debt instruments or CMBS acquired by us are delinquent as to mandatory principal and interest payments, or in the event payments with respect to a particular debt instrument are not made when due, we may nonetheless be required to continue to recognize the unpaid interest as taxable income as it accrues, despite doubt as to its ultimate collectability. Similarly, we may be required to accrue interest income with respect to subordinate CMBS at its stated rate regardless of whether corresponding cash payments are received or are ultimately collectable. In each case, while we would in general ultimately have an offsetting loss deduction available to us when such interest was determined to be uncollectable, and the utility of that deduction could depend on our having taxable income in that later year or thereafter.

If we own assets or conduct operations that generate "excess inclusion income" outside of a TRS, doing so could adversely affect shareholders' taxation and could cause our common shares to become ineligible for inclusion in leading market indexes.

Some leading market indexes exclude companies whose dividends to shareholders constitute UBTI. For purposes of the IRC, shareholder dividends attributable to a REIT's "excess inclusion income" are treated as UBTI to specified investors, and thus REITs that generate excess inclusion income are generally not eligible for inclusion in these market indexes. Furthermore, REIT dividends attributable to excess inclusion income cause both the REIT and its shareholders to experience a range of disruptive and adverse U.S. federal income tax consequences, including the recognition of UBTI by specified tax-exempt shareholders, the unavailability of treaty benefits to non-U.S. shareholders and the unavailability of net operating losses to offset such income with respect to U.S. taxable shareholders. We do not intend to acquire assets or enter into financing or other arrangements that will produce excess inclusion income for our shareholders. As a result, we may forgo investment or financing opportunities that we would otherwise have considered attractive or implement these arrangements through a TRS, which would increase the cost of these activities because TRSs are subject to U.S. federal income tax. Furthermore, our analysis regarding our investments' or activities' potential for generating excess inclusion income could be subject to challenge or we could affirmatively modify our position regarding the generation of excess inclusion income in the future. In either case, our shareholders could suffer adverse tax consequences through the recognition of UBTI or the other adverse consequences that flow from excess inclusion income. Furthermore, in such an event, our common shares could become ineligible for inclusion in those market indexes that exclude UBTI-generating stock, which could adversely affect demand for our common shares and the market price of our common shares.

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

A REIT's net income from prohibited transactions is subject to a 100% tax. In general, prohibited transactions are sales or other dispositions at a gain of property, other than foreclosure property but including mortgage loans, held primarily for sale to customers in the ordinary course of business. If we were to dispose of or securitize loans in a manner that was treated as a sale of the loans for U.S. federal income tax purposes, those sales could be viewed as sales to customers in the ordinary course of business and to that extent subject to the 100% tax. Therefore, in order to avoid the prohibited transactions tax, we may choose not to engage in particular sales of loans or we may limit the structures used for dispositions or securitization transactions, even though the sales or structures might otherwise be beneficial to us.

Risks Relating to Our Securities

Our distributions to our shareholders may be reduced or eliminated and the form of payment could change.

We intend to continue to make regular quarterly distributions to our shareholders, but we may not be able to increase or maintain such a distribution rate for various reasons, including:

- our ability to sustain or increase the rate of distributions may be adversely affected if any of the risks described in our Annual Report on Form 10-K occur;
- we may not have enough cash to pay such distributions as a result of changes in our cash requirements, cash flow or financial position;
- our payment of distributions is subject to restrictions contained in the agreements governing our debt and may be subject to restrictions in future debt obligations we may incur; during the continuance of any event of default under the

agreements governing our debt, we may be limited or in some cases prohibited from paying distributions to our shareholders; and

- the timing, amount and form of any distributions will be determined at the discretion of our Board of Trustees and will depend on various factors that our Board of Trustees deems relevant, including, but not limited to our historical and projected income, our Distributable Earnings, Distributable Earnings per common share, Adjusted Distributable Earnings and Adjusted Distributable Earnings per common share, our expectations of future capital requirements and operating performance and our expected needs for cash to pay our obligations and fund our investments, requirements to maintain our qualification for taxation as a REIT and limitations in our Secured Financing Facilities.

For these reasons, among others, our distribution rate may decline, or we may cease paying distributions to our shareholders.

Further, in order to preserve liquidity, we may elect to pay distributions to our shareholders in part in a form other than cash, such as issuing additional common shares to our shareholders, as permitted by the applicable tax rules.

Changes in market conditions could adversely affect the market value of our securities.

As with other publicly traded equity securities and REIT securities, the market price of our common shares and other securities depends on various market conditions that are subject to change from time to time. We believe that one of the factors that investors consider important in deciding whether to buy or sell equity securities of a REIT is the distribution rate, considered as a percentage of the market price of the equity securities, relative to interest rates. There is a general market perception that REIT shares outperform in low interest rate environments and underperform in rising interest rate environments when compared to the broader market. In efforts to combat rising inflation, the FOMC raised interest rates eleven times during 2022 and 2023 and then paused rate increases in the fourth quarter of 2023 following the deceleration of inflationary growth. The FOMC cut interest rates three times in 2024 and three times between September 2025 and December 2025, and it may seek to further reduce interest rates, increase interest rates or maintain current interest rates. In addition, the U.S. and global economies have continued to experience inflation above historic levels, constrained labor availability, supply chain challenges, global instability and economic uncertainty. These conditions have negatively impacted REIT share prices and, if they continue or worsen, may have further adverse impacts on the market value of our securities.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

We rely on the information technology and systems maintained by our manager, Tremont, and RMR, and rely on Tremont and RMR to identify and manage material risks from cybersecurity threats. RMR takes various actions, and incurs significant costs, to maintain and protect the operation and security of information technology and systems, including the data maintained in those systems. Our Audit Committee oversees cybersecurity matters, including the material risks related thereto, and regularly receives updates from RMR's Chief Information Officer regarding the development and advancement of its cybersecurity strategy, as well as the related risks. In the event of a cybersecurity incident, RMR has a detailed incident response plan in place for contacting authorities and informing key stakeholders, including our management. To date, we are not aware of risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, that have materially affected or are reasonably likely to materially affect us, including our business strategy, results of operations or financial condition. For additional information on cybersecurity risks and potential related impacts on us, see Part I, Item 1A. Risk Factors, "RMR and Tremont rely on information technology and systems in their respective operations, and any material failure, inadequacy, interruption or security breach of that technology or those systems could materially harm us."

Item 2. Properties

Our principal executive and administrative offices are located in leased space at Two Newton Place, 255 Washington Street, Newton, MA 02458-1634. In June 2023, we assumed legal title to an office property located in Yardley, PA through a deed in lieu of foreclosure.

Item 3. Legal Proceedings

From time to time, we may become involved in litigation matters incidental to the ordinary course of our business. Although we are unable to predict with certainty the eventual outcome of any litigation, we are currently not a party to any litigation that we expect to have a material adverse effect on our business.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

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

Our common shares are traded on Nasdaq (symbol: SEVN).

As of February 13, 2026, there were 82 shareholders of record of our common shares.

Issuer purchases of equity securities. The table below provides information about our purchases of our equity securities during the quarter ended December 31, 2025.

Calendar Month	Number of Shares Purchased [1]	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
October 2025	3,394	$ 10.41	—	$ —
November 2025	—	—	—	—
December 2025	972	8.82	—	—
Total/weighted average	4,366	$ 10.06	—	$ —

(1) These common share withholdings and purchases were made to satisfy tax withholding and payment obligations of certain of our officers and certain officers and employees of Tremont and/or RMR in connection with the vesting of awards of our common shares. We withheld and purchased these shares at their fair market values based upon the trading prices of our common shares at the close of trading on Nasdaq on the purchase dates.

Item 6. [Reserved]

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

The following discussion should be read in conjunction with our consolidated financial statements and accompanying notes included elsewhere in this Annual Report on Form 10-K.

OVERVIEW (dollars in thousands, except share data)

We are a Maryland REIT. Our business strategy is focused on originating and investing in floating rate first mortgage loans that range from $15,000 to $75,000, secured by middle market transitional CRE properties that have values up to $100,000. We define transitional CRE as commercial properties subject to redevelopment or repositioning activities that are expected to increase the value of the properties. Our mortgage loans are classified as loans held for investment in our consolidated balance sheets.

Tremont is registered with the SEC as an investment adviser under the Investment Advisers Act of 1940, as amended. We believe that Tremont provides us with significant experience and expertise in investing in middle market transitional CRE.

We operate our business in a manner that is consistent with our qualification for taxation as a REIT under the IRC. As such, we generally are not subject to U.S. federal income tax, provided that we meet certain distribution and other requirements. We also operate our business in a manner that permits us to maintain our exemption from registration under the 1940 Act.

Factors Affecting Operating Results

Our results of operations are impacted by a number of factors and primarily depend on the interest income from our investments and the financing and other costs associated with our business. Our operating results are also impacted by general CRE market conditions and unanticipated defaults by our borrowers. For further information regarding the risks associated with our loan portfolio, see the risk factors identified in Part I, Item 1A, "Risk Factors", of this Annual Report on Form 10-K.

Credit Risk. We are subject to the credit risk of our borrowers in connection with our investments. We seek to mitigate this risk by utilizing a comprehensive underwriting, diligence and investment selection process and by ongoing monitoring of our investments. Nevertheless, unanticipated credit losses could occur that may adversely impact our operating results.

Changes in Fair Value of our Assets. We generally intend to hold our investments for their contractual terms, unless repaid earlier by the borrowers. We evaluate the credit quality of each of our loans at least quarterly. If a loan is determined to be collateral dependent (because the repayment of the loan is expected to be provided substantially through the operation or sale of the underlying collateral property) and the borrower is experiencing financial difficulties, but foreclosure is not probable, we may record an allowance for credit losses by comparing the collateral's fair value to the amortized cost basis of the loan. For collateral-dependent loans for which foreclosure is probable, the related allowance for credit losses is determined using the fair value of the collateral compared to the loan's amortized cost.

Availability of Leverage and Equity. We use leverage to make additional investments that may increase our returns. We may not be able to obtain the expected amount of leverage we desire or its cost may exceed our expectation and, consequently, the returns generated from our investments may be reduced. Our ability to further grow our loan portfolio over time will depend, to a significant degree, upon our ability to obtain additional capital. However, our access to additional capital depends on many factors including the price at which our common shares trade relative to their book value and market lending conditions. See "—Market Conditions" below.

Market Conditions. Earlier this year, U.S. trade and fiscal policy, coupled with ongoing geopolitical tensions, caused volatility in financial markets and uncertainty for CRE investors. As a result, transaction activity slowed as investors waited on the outcomes of negotiations with U.S. trade partners, new tariff announcements and domestic fiscal policy initiatives as well as the path of interest rates before making buy and sell decisions.

CRE transaction activity showed signs of recovery in the second half of 2025 as investors and lenders responded to three interest rate cuts by the FOMC in 2025. Additionally, a more stabilized monetary environment, improving property fundamentals and substantial liquidity in debt capital markets may give CRE investors and lenders renewed optimism and confidence in underwriting assumptions. The relative value of CRE debt investments today compared to alternative corporate or private debt investments continues to drive demand from lenders, including banks, securitized lenders, life insurance companies, private debt funds and mortgage REITs. This increased competition amongst lenders has led to a tightening of credit spreads and lower overall borrowing costs for CRE debt investors across all property sectors.

Barring potential risks associated with persistent inflation, increased geopolitical uncertainty that may negatively impact global economic conditions and a weakening labor market that could moderate economic growth, we believe the CRE sector is relatively well positioned, with expectations for increased transaction volume in 2026.

Changes in Interest Rates. With respect to our business operations, increases in interest rates, in general, may cause: (a) the coupon rates on our variable rate investments to reset, perhaps on a delayed basis, to higher rates; (b) it to become more difficult and costly for our borrowers, which may negatively impact their ability to repay our investments; and (c) the interest expense associated with our variable rate borrowings to increase. See "—Market Conditions" above for a discussion of the current market including interest rates.

Conversely, decreases in interest rates, in general, may cause: (a) the coupon rates on our variable rate investments to reset, perhaps on a delayed basis, to lower rates; (b) it to become easier and more affordable for our borrowers to refinance, and as a result, repay our loans, but may negatively impact our future returns if any such repayment proceeds were to be reinvested in lower yielding investments; and (c) the interest expense associated with our variable rate borrowings to decrease.

The interest income on our loans and interest expense on our borrowings float with benchmark rates, such as SOFR. Because we generally intend to leverage up to 80% of the amount of our investments, as benchmark rates increase above the floors of our loans, our income from investments, net of interest and related expenses, will increase. Decreases in benchmark rates are mitigated by interest rate floor provisions in all but one of our loan agreements with borrowers, ranging from 0.25% to 4.34% with a weighted average floor of 2.81%; therefore, changes to income from investments, net, may not move proportionately with the increase or decrease in benchmark rates. As of December 31, 2025, SOFR was 3.69%, and as a result, seven of our loan investments had an active interest rate floor.

Size of Portfolio. The size of our loan portfolio, as measured both by the aggregate principal balance and the number of our CRE loans and our other investments, is also an important factor in determining our operating results. Generally, if the size of our loan portfolio grows, the amount of interest income we receive would increase and we may achieve certain economies of scale and diversify risk within our loan portfolio. A larger portfolio, however, may result in increased expenses; for example, we may incur additional interest expense or other costs to finance our investments. Also, if the aggregate principal balance of our loan portfolio grows but the number of our loans or the number of our borrowers does not grow, we could face increased risk by reason of the concentration of our investments.

Prepayment Risk. We are subject to risk that our loan investments will be repaid at an earlier date than anticipated, which may reduce the returns realized on those loans as less interest income may be received over time. Additionally, we may not be able to reinvest the principal repaid timely and/or at a similar or higher yield of the original loan investment. We seek to limit this risk by structuring our loan agreements with fees required to be paid to us upon prepayment of a loan within a specified period of time before the loan's maturity; however, unanticipated prepayments could negatively impact our operating results.

Our Loan Portfolio

The table below details overall statistics for our loan portfolio as of December 31, 2025 and 2024:

	As of December 31,	
	2025	**2024**
Number of loans	24	21
Total loan commitments	$ 724,458	$ 641,213
Unfunded loan commitments [(1)]	$ 36,873	$ 30,402
Principal balance	$ 687,585	$ 610,811
Carrying value	$ 676,908	$ 601,842
Weighted average coupon rate	7.52%	8.24%
Weighted average all in yield [(2)]	7.92%	8.62%
Weighted average floor	2.81%	2.12%
Weighted average maximum maturity (years) [(3)]	2.6	2.6
Weighted average risk rating	2.8	3.1
Weighted average LTV [(4)]	66%	67%

(1) Unfunded loan commitments are primarily used to finance property improvements and leasing capital and are generally funded over the term of the loan.
(2) All in yield represents the yield on a loan, including amortization of deferred fees over the initial term of the loan and excluding any purchase discount accretion.
(3) Maximum maturity assumes all borrower loan extension options have been exercised, which options are subject to the borrower meeting certain conditions.
(4) LTV represents the initial loan amount divided by the underwritten in-place value of the underlying collateral at closing.

Loan Portfolio Details

The table below details our loan portfolio as of December 31, 2025:

#	Location	Property Type	Origination Date	Committed Principal Amount	Principal Balance	Coupon Rate	All in Yield[1]	Maximum Maturity[2] (date)	LTV[3]	Risk Rating
1	Olmsted Falls, OH [4]	Multifamily	01/28/2021	$ 54,575	$ 54,575	S + 4.00%	S + 4.29%	01/28/2026	63%	1
2	Passaic, NJ	Industrial	09/08/2022	47,000	45,260	S + 3.85%	S + 4.42%	09/08/2027	69%	3
3	Dallas, TX	Office	08/25/2021	46,811	44,217	S + 3.25%	S + 3.27%	08/25/2026	72%	4
4	Boston, MA	Hotel	12/16/2024	45,000	39,800	S + 3.95%	S + 4.39%	12/16/2029	49%	3
5	Oxford, MS	Multifamily	11/26/2024	42,000	42,000	S + 2.95%	S + 3.35%	11/26/2029	75%	1
6	College Park, MD	Multifamily	11/12/2025	37,320	27,911	S + 2.95%	S + 3.46%	11/12/2030	43%	3
7	Revere, MA [5]	Hotel	07/01/2024	37,000	37,000	S + 3.95%	S + 5.14%	07/01/2029	73%	3
8	New York, NY	Mixed Use	09/05/2025	34,500	34,500	S + 3.20%	S + 4.03%	09/05/2030	70%	3
9	San Marcos, TX	Multifamily	01/14/2025	31,200	28,228	S + 3.25%	S + 3.68%	01/14/2030	62%	2
10	Anaheim, CA	Hotel	11/29/2023	29,000	29,000	S + 4.00%	S + 4.05%	11/29/2028	55%	2
11	San Antonio, TX	Industrial	06/13/2025	28,000	22,800	S + 3.40%	S + 3.88%	06/13/2030	62%	3
12	Plano, TX	Office	07/01/2021	27,385	26,569	S + 3.75%	S + 3.76%	07/01/2026	78%	4
13	Downers Grove, IL	Office	09/25/2020	27,000	26,500	S + 5.00%	S + 5.15%	05/22/2026	67%	3
14	Wayne, PA [5]	Industrial	07/18/2024	27,000	24,733	S + 4.25%	S + 4.73%	07/18/2029	62%	3
15	Fayetteville, GA	Industrial	10/06/2023	25,250	25,250	S + 3.35%	S + 3.73%	10/06/2028	55%	3
16	Carlsbad, CA	Office	10/27/2021	24,750	24,417	S + 3.25%	S + 3.26%	10/27/2026	78%	4
17	Los Angeles, CA	Industrial	06/28/2024	23,800	22,954	S + 3.40%	S + 3.82%	06/28/2029	58%	3
18	Downers Grove, IL	Office	12/09/2021	23,530	23,530	S + 4.25%	S + 4.51%	12/09/2026	72%	3
19	Fontana, CA	Industrial	11/18/2022	22,080	20,470	S + 3.75%	S + 4.03%	11/18/2026	72%	3
20	Bellevue, WA	Office	11/05/2021	21,000	20,245	S + 2.85%	S + 2.85%	04/07/2029	68%	4
21	Waco, TX	Multifamily	03/06/2025	18,500	18,500	S + 3.35%	S + 3.75%	03/06/2030	73%	3
22	Boise, ID	Multifamily	06/26/2025	18,000	18,000	S + 3.50%	S + 4.29%	06/26/2030	79%	3
23	Newport News, VA	Multifamily	04/25/2024	17,757	15,126	S + 3.15%	S + 3.85%	04/25/2029	71%	3
24	Lake Mary, FL	Hotel	09/06/2024	16,000	16,000	S + 4.00%	S + 4.41%	09/06/2029	68%	1
	Total/weighted average			$ 724,458	$ 687,585	S + 3.62%	S + 4.02%		66%	2.8

(1) All in yield represents the yield on a loan, including amortization of deferred fees over the initial term of the loan and excluding any purchase discount accretion.
(2) Maximum maturity assumes all borrower loan extension options have been exercised, which options are subject to the borrower meeting certain conditions.
(3) LTV represents the initial loan amount divided by the underwritten in-place value of the underlying collateral at closing.
(4) In January 2026, the maturity date of this loan was extended to March 31, 2026.
(5) These loans were acquired in November 2025.

As of December 31, 2025, we had $724,458 in aggregate loan commitments, consisting of a diverse portfolio, geographically and by property type, of 24 first mortgage loans. As of December 31, 2025, we had 4 loans representing approximately 17% of the amortized cost of our loan portfolio with a loan risk rating of “4” or “higher risk”. As of December 31, 2025, we had no loans with risk rating of “5” or “impaired/ loss likely”.

In April 2025, we amended the agreement governing our loan secured by an office property in Bellevue, WA. As part of this amendment, the borrower was required to contribute $1,625 to cash reserves, the coupon rate was reduced from SOFR + 3.85% to SOFR + 2.85% and the maturity date was extended by three years to April 7, 2028. As of December 31, 2025, this loan had an amortized cost of $20,245 and a risk rating of 4.

In May 2025, we amended the agreement governing our loan secured by an office property in Downers Grove, IL. As part of this amendment, the borrower repaid $3,000 of the outstanding principal balance and the maturity date was extended by one year to May 22, 2026. As of December 31, 2025, this loan had an amortized cost of $26,640 and a risk rating of 3.

All of the loans in our portfolio are structured with risk mitigation mechanisms, such as cash flow sweeps or interest reserves, to help protect us against investment losses. In addition, we actively engage with our borrowers regarding their execution of the business plans for the underlying collateral, among other things.

As of December 31, 2025 and February 13, 2026, all of our borrowers with outstanding loans had paid their debt service obligations owed and due to us.

We did not have any outstanding past due loans or nonaccrual loans as of December 31, 2025. However, our borrowers' businesses, operations and liquidity may be materially adversely impacted by current inflationary pressures, interest rate fluctuations, supply chain issues or a prolonged economic slowdown or recession could amplify those negative impacts. As a result, they may become unable to pay their debt service obligations owed and due to us, which may result in an increased allowance for credit losses and/or recognition of income on a nonaccrual basis. Some of the factors that have impacted us and could continue to impact us are outlined in Part I, Item 1A, "Risk Factors" of this Annual Report on Form 10-K. For further information regarding our loan portfolio and risk rating policy, see Notes 2 and 3 to our Consolidated Financial Statements included in Part IV, Item 15 of this Annual Report on Form 10-K.

Financing Activities

Our secured financing agreements at December 31, 2025 consisted of agreements that govern our Wells Fargo Master Repurchase Facility, our Citibank Master Repurchase Facility, our BMO Facility and our UBS Master Repurchase Facility.

In February 2026, we amended the Wells Fargo Master Repurchase Agreement and made certain changes to the agreement, including extending the stated maturity date to March 13, 2028 and increasing the maximum facility size by $125,000 to $250,000.

In February 2026, we amended our UBS Master Repurchase Agreement to extend the stated maturity date to February 18, 2028.

For further information regarding our Secured Financing Facilities, see Note 5 to our Consolidated Financial Statements included in Part IV, Item 15 of this Annual Report on Form 10-K.

The table below is an overview of our Secured Financing Facilities as of December 31, 2025, after giving effect to the above referenced amendments to the UBS and Wells Fargo Master Repurchase Agreements:

Facility	Maturity Date	Principal Balance	Carrying Value	Unused Capacity	Maximum Facility Size	Collateral Principal Balance
UBS Master Repurchase Facility	02/18/2028	$ 194,948	$ 194,887	$ 55,052	$ 250,000	$ 278,594
Wells Fargo Master Repurchase Facility	03/13/2028	92,980	92,902	157,020	250,000	120,469
Citibank Master Repurchase Facility	09/27/2026	135,715	135,426	79,285	215,000	199,838
BMO Facility	Various	64,632	64,442	85,368	150,000	88,684
Total		$ 488,275	$ 487,657	$ 376,725	$ 865,000	$ 687,585

The table below details our Secured Financing Facilities activities during the year ended December 31, 2025:

	Carrying Value
Balance at December 31, 2024	$ 417,796
Borrowings	178,405
Repayments	(109,752)
Deferred fees	(325)
Amortization of deferred fees	1,533
Balance at December 31, 2025	$ 487,657

As of December 31, 2025, outstanding advancements under our Secured Financing Facilities had a weighted average interest rate of 5.92% per annum, excluding associated fees and expenses. As of December 31, 2025 and February 13, 2026, we had a $488,275 and $447,344, respectively, aggregate outstanding principal balance under our Secured Financing Facilities.

As of December 31, 2025, we were in compliance with all covenants and other terms under our Secured Financing Facilities.

RESULTS OF OPERATIONS (amounts in thousands, except per share data)

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024:

	Year Ended December 31,			
	2025	**2024**	**Change**	**% Change**
INCOME FROM INVESTMENTS:				
Interest and related income	$ 56,340	$ 64,762	$ (8,422)	(13.0%)
Less: interest and related expenses	(29,485)	(31,769)	2,284	7.2%
Income from loan investments, net	26,855	32,993	(6,138)	(18.6%)
Revenue from real estate owned	2,528	2,281	247	10.8%
Total revenue	29,383	35,274	(5,891)	(16.7%)
OTHER EXPENSES:				
Base management fees	4,360	4,329	31	0.7%
Incentive fees	625	974	(349)	(35.8%)
General and administrative expenses	4,438	3,902	536	13.7%
Reimbursement of shared services expenses	2,040	2,647	(607)	(22.9%)
Provision for credit losses	203	3,080	(2,877)	(93.4%)
Expenses from real estate owned	2,269	2,489	(220)	(8.8%)
Total other expenses	13,935	17,421	(3,486)	(20.0%)
Income before income taxes	15,448	17,853	(2,405)	(13.5%)
Income tax expense	(14)	(33)	19	57.6%
Net income	$ 15,434	$ 17,820	$ (2,386)	(13.4%)
Weighted average common shares outstanding - basic and diluted	15,240	14,712	528	3.6%
Net income per common share - basic and diluted	$ 1.00	$ 1.20	$ (0.20)	(16.7%)

Interest and related income. The decrease in interest and related income was primarily the result of lower weighted average coupon rates, which was partially offset by interest rate floors for seven of our loans becoming active, lower interest income earned on cash invested due to decreased index rates and lower purchase discount accretion due to discounts becoming fully accreted during the year ended December 31, 2025. The weighted average coupon rate was 7.60% for the year ended December 31, 2025, inclusive of the seven active floors, compared to 8.77% for the year ended December 31, 2024.

Interest and related expenses. The decrease in interest and related expenses was primarily the result of lower weighted average coupon rates offset by higher outstanding principal balances under our Secured Financing Facilities during the year ended December 31, 2025. The weighted average coupon rate was 6.25% for the year ended December 31, 2025, compared to 7.24% for the year ended December 31, 2024. The weighted average principal balance was approximately $425,000 for the year ended December 31, 2025, compared to $411,000 for the year ended December 31, 2024.

Revenue from real estate owned. Revenue from real estate owned represents revenue from the operations of an office property located in Yardley, PA that was transferred to real estate owned through a deed in lieu of foreclosure in June 2023. The increase in revenue from real estate owned was primarily the result of higher operating expense reimbursements during the year ended December 31, 2025.

Base management and incentive fees. We recognize base management and incentive fees payable to Tremont in accordance with our management agreement. The increase in base management fees was due to higher “equity” as defined in our management agreement. The decrease in incentive fees was due to lower “core earnings”, as defined in our management agreement, during the year ended December 31, 2025 as compared to the year ended December 31, 2024.

General and administrative expenses. The increase in general and administrative expenses was primarily due to an increase in share based and cash compensation awarded to our Trustees, each resulting from the increase in the size of our Board of Trustees, higher share based compensation for employees of RMR and Tremont and higher legal expenses during the year ended December 31, 2025 as compared to the year ended December 31, 2024.

Reimbursement of shared services expenses. Reimbursement of shared services expenses represents reimbursement of the costs for the services that Tremont arranges on our behalf from RMR. The decrease in reimbursement of shared services expenses was primarily the result of lower usage of shared services from RMR during the year ended December 31, 2025 as compared to the year ended December 31, 2024.

Provision for credit losses. The provision for credit losses represents the increase in the allowance for credit losses on our loan portfolio and unfunded commitments. The increase in the allowance for credit losses during the year ended December 31, 2025 was primarily attributable to increased provisions for our office loans and a larger loan portfolio as of December 31, 2025, offset by increasing values for CRE and favorable CRE pricing forecasts used in our CECL model and loans nearing maturity.

Expenses from real estate owned. Expenses from real estate owned represent expenses from the operations of an office property located in Yardley, PA that was transferred to real estate owned through a deed in lieu of foreclosure in June 2023. The decrease in expenses from real estate owned was primarily the result of lower amortization expense related to acquired real estate leases during the year ended December 31, 2025.

Income tax expense. Income tax expense for the year ended December 31, 2025 is a result of income taxes paid or payable by us in certain jurisdictions where we are subject to state income taxes.

Net income and net income per common share - basic and diluted. The decrease in net income was due to the changes noted above. Additionally, net income per common share - basic and diluted includes the effect of the issuance of 7,532,861 common shares through the Rights Offering.

Non-GAAP Financial Measures

We present Adjusted Book Value, Adjusted Book Value per common share, Distributable Earnings and Distributable Earnings per common share, which are considered “non-GAAP financial measures” within the meaning of the applicable SEC rules. These non-GAAP financial measures do not represent book value, book value per common share, net income, net income per common share or cash generated from operating activities and should not be considered as alternatives to book value, book value per common share, net income or net income per common share determined in accordance with GAAP or as an indication of our cash flows from operations determined in accordance with U.S. generally accepted accounting principles, or GAAP, a measure of our capital adequacy, liquidity or operating performance or an indication of funds available for our cash needs. In addition, our methodologies for calculating these non-GAAP financial measures may differ from the methodologies employed by other companies to calculate the same or similar supplemental capital adequacy or performance measures; therefore, our reported Adjusted Book Value, Adjusted Book Value per common share, Distributable Earnings, and Distributable Earnings per common share may not be comparable to adjusted book value, adjusted book value per common share, distributable earnings and distributable earnings per common share as reported by other companies.

Adjusted Book Value

We believe that Adjusted Book Value and Adjusted Book Value per common share is a meaningful measure of our capital adequacy because it excludes the impact of certain non-cash estimates or adjustments, including our allowance for credit losses for our loan portfolio and unfunded loan commitments. The table below calculates our book value, Adjusted Book Value and Adjusted Book Value per common share:

	As of December 31,	
	2025	**2024**
Shareholders' equity	$ 328,651	$ 269,278
Allowance for credit losses [1]	9,111	8,908
Adjusted Book Value	$ 337,762	$ 278,186
Total outstanding common shares	22,584	14,903
Book value per common share	$ 14.55	$ 18.07
Adjusted Book Value per common share	$ 14.96	$ 18.67

(1) Amounts include our allowance for credit losses for our loan portfolio and our unfunded commitments. The allowance for credit losses for our unfunded commitments is included in accounts payable, accrued liabilities and other liabilities in our consolidated balance sheets.

Distributable Earnings

In order to maintain our qualification for taxation as a REIT, we are generally required to distribute substantially all of our taxable income, subject to certain adjustments, to our shareholders. We believe that one of the factors that investors consider important in deciding whether to buy or sell securities of a REIT is its distribution rate. Over time, Distributable Earnings and Distributable Earnings per common share may be useful indicators of distributions to our shareholders and are measures that are considered by our Board of Trustees when determining the amount of distributions. We believe that Distributable Earnings and Distributable Earnings per common share provide meaningful information to consider in addition to net income, net income per common share and cash flows from operating activities determined in accordance with GAAP. These measures help us to evaluate our performance excluding the effects of certain transactions and GAAP adjustments that we believe are not necessarily indicative of our current loan portfolio and operations. In addition, Distributable Earnings, excluding incentive fees, is used in determining the amount of base management and management incentive fees payable by us to Tremont under our management agreement.

We calculate Distributable Earnings and Distributable Earnings per common share as net income and net income per common share, respectively, computed in accordance with GAAP, including realized losses not otherwise included in net income determined in accordance with GAAP, and excluding: (a) depreciation and amortization of real estate owned and related intangible assets, if any; (b) non-cash equity compensation expense; (c) unrealized gains, losses and other similar non-cash items that are included in net income for the period of the calculation (regardless of whether such items are included in or deducted from net income or in other comprehensive income under GAAP), if any; and (d) one-time events pursuant to changes in GAAP and certain non-cash items, if any. Distributable Earnings are reduced for realized losses on loan investments when amounts are deemed uncollectable. This is generally at the time a loan is repaid, or in the case of foreclosure, when the underlying asset is sold, but may also be when, in our determination, it is nearly certain that all amounts due will not be collected. The realized loss amount reflected in Distributable Earnings will equal the difference between the cash received or expected to be received and the carrying value of the loan.

Reconciliation of Net Income to Distributable Earnings

The table below demonstrates our calculation of Distributable Earnings and Distributable Earnings per common share, which are non-GAAP measures, and provides a reconciliation of these non-GAAP measures to net income:

	Year Ended December 31,	
	2025	**2024**
Net income	$ 15,434	$ 17,820
Non-cash equity compensation expense	1,736	1,359
Non-cash accretion of purchase discount	(37)	(2,347)
Provision for credit losses	203	3,080
Depreciation and amortization of real estate owned	1,063	1,248
Exit fees collected on loans acquired in Merger	—	124
Distributable Earnings	$ 18,399	$ 21,284
Weighted average common shares outstanding - basic and diluted	15,240	14,712
Net income per common share - basic and diluted	$ 1.00	$ 1.20
Distributable Earnings per common share - basic and diluted	$ 1.21	$ 1.45

(1) Exit fees collected on loans acquired in the Merger represent fees collected upon repayment of loans for which no income has previously been recognized in Distributable Earnings. In accordance with GAAP, exit fees payable with respect to loans acquired in the Merger were accreted as a component of the purchase discount and were excluded from Distributable Earnings as a non-cash item. Accordingly, these exit fees have been recognized in Distributable Earnings upon collection.

LIQUIDITY AND CAPITAL RESOURCES (dollars in thousands, except per share data)

Liquidity is a measure of our ability to meet potential cash requirements, including ongoing commitments to fund our lending commitments, repay or meet margin calls resulting from our borrowings, if any, fund and maintain our assets and operations, make distributions to our shareholders and fund other business operating requirements. Our sources of cash flows include cash on hand, payments of principal, interest and fees we receive on our investments, other cash we may generate from our business and operations, any unused borrowing capacity, including under our Secured Financing Facilities or other repurchase agreements or financing arrangements we may obtain, which may also include bank loans or public or private issuances of debt or equity securities and proceeds from any sale of real estate owned. We believe that these sources of funds will be sufficient to meet our operating and capital expenses, pay our debt service obligations owed and make any distributions to our shareholders for the next 12 months and for the foreseeable future. For further information regarding the risks associated with our loan portfolio, see Note 3 to our Consolidated Financial Statements included in Part IV, Item 15 and Part I, Item 1A, "Risk Factors" of this Annual Report on Form 10-K.

Pursuant to the terms of our Citibank Master Repurchase Facility, our UBS Master Repurchase Facility and our Wells Fargo Master Repurchase Facility, we may sell to, and later repurchase from, Citibank, UBS and Wells Fargo, the purchased assets related to the applicable facility. The initial purchase price paid by Citibank of each purchased asset is up to 75% of the lesser of the market value of the purchased asset or the unpaid principal balance of such purchased asset, subject to Citibank's approval. The initial purchase price paid by UBS of each purchased asset is up to 80% of the lesser of the market value of the purchased asset or the unpaid principal balance of such purchased asset, subject to UBS's approval. The initial purchase price paid by Wells Fargo for each purchased asset is up to 75% or 80%, depending on the property type of the purchased asset’s real estate collateral, of the lesser of the market value of the purchased asset or the unpaid principal balance of such purchased asset, and subject to Wells Fargo’s approval. Upon the repurchase of a purchased asset, we are required to pay Citibank, UBS or Wells Fargo, as applicable, the outstanding purchase price of the purchased asset, accrued interest and all accrued and unpaid expenses of Citibank, UBS or Wells Fargo, as applicable, relating to such purchased asset.

The interest rates related to our Citibank, UBS and Wells Fargo purchased assets are calculated at SOFR plus a premium within a fixed range, determined by the debt yield and property type of the purchased asset’s real estate collateral. Citibank has the discretion to make advancements at margins higher than 75%, and UBS and Wells Fargo each has the discretion to make advancements at margins higher than 80%.

Loans issued under the BMO Facility are coterminous with the corresponding pledged mortgage loan investments, are not subject to margin calls and allow for up to an 80% advance rate, subject to certain loan to cost and LTV limits. Interest on advancements under the BMO Facility are calculated at SOFR plus a premium. Loans issued under the BMO Facility are secured by a security interest and collateral assignment of the underlying loans to our borrowers which are secured by real property underlying such loans. We are required to pay an upfront fee equal to a percentage of the aggregate amount of the facility loan, such percentage to be determined at the time of approval of the separate facility loan agreements with BMO, or the BMO Facility Loan Agreements.

For further information regarding our Secured Financing Facilities, see Note 5 to our Consolidated Financial Statements included in Part IV, Item 15 of this Annual Report on Form 10-K and "—Overview-Financing Activities" above.

The following is a summary of our sources and uses of cash flows for the period presented:

	Year Ended December 31,	
	2025	2024
Cash and cash equivalents at beginning of period	$ 70,750	$ 87,855
Net cash provided by (used in):		
Operating activities	15,038	20,110
Investing activities	(72,957)	21,261
Financing activities	110,640	(58,476)
Cash and cash equivalents at end of period	$ 123,471	$ 70,750

The decrease in cash provided by operating activities for 2025 compared to 2024 was primarily the result of lower net interest income earned on loan investments due to lower SOFR index rates. The change from cash provided by to cash used in investing activities was primarily due to increased loan originations and acquisitions, as well as lower loan repayments in 2025 compared to 2024. The change from cash used in to cash provided by financing activities was primarily due to proceeds received from the Rights Offering and increased borrowing under our Secured Financing Facilities in 2025 compared to net repayment activity under our Secured Financing Facilities in 2024.

Distributions

During the year ended December 31, 2025, we declared and paid regular quarterly distributions totaling $18,835, or $1.26 per common share, using cash on hand.

On January 15, 2026, we declared a regular quarterly distribution of $0.28 per common share, or $6,327, to shareholders of record on January 26, 2026. We expect to pay this distribution on February 19, 2026 using cash on hand.

For further information regarding distributions, see Note 7 to our Consolidated Financial Statements included in Part IV, Item 15 of this Annual Report on Form 10-K.

Rights Offering

In November 2025, we commenced the Rights Offering, pursuant to which we issued transferable rights to our shareholders of record as of November 10, 2025. The record date shareholders received one transferable right for each outstanding common share they owned on the record date, which entitled them to purchase one new common share for every two rights held. The Rights Offering was fully backstopped by Tremont. In December 2025, we completed the Rights Offering, in which 7,532,861 common shares were issued at $8.65 per share, generating net proceeds of $61,530, after offering costs. For further information regarding the Rights Offering, see Note 9 to our Consolidated Financial Statements included in Part IV, Item 15 of this Annual Report on Form 10-K.

Contractual Obligations and Commitments

Our contractual obligations and commitments as of December 31, 2025 were as follows:

	Payment Due by Period				
	Total	Less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years
Unfunded loan commitments [1]	$ 36,873	$ 7,594	$ 29,279	$ —	$ —
Principal payments on Secured Financing Facilities [2]	488,275	472,187	16,088	—	—
Interest payments on Secured Financing Facilities [3]	12,733	12,208	525	—	—
Lease related costs [4]	222	222	—	—	—
	$ 538,103	$ 492,211	$ 45,892	$ —	$ —

(1) The allocation of our unfunded loan commitments is based on the current loan maturity date to which the individual commitments relate.
(2) The allocation of outstanding advancements under our Secured Financing Facilities is based on the earlier of the current maturity date of each loan investment with respect to which the individual borrowing relates or the maturity date of the respective Secured Financing Facilities.
(3) Projected interest payments are attributable only to our debt service obligations at existing rates as of December 31, 2025 and are not intended to estimate future interest costs which may result from debt prepayments, additional borrowings, new debt issuances or changes in interest rates.
(4) Lease related costs include capital expenditures used to improve tenants' spaces pursuant to lease agreements or leasing related costs, such as brokerage commissions, related to real estate owned.

Debt Covenants

Our principal debt obligations as of December 31, 2025 were the outstanding balances under our Secured Financing Facilities. Our Master Repurchase Agreements provide for acceleration of the date of repurchase of any then purchased assets and the liquidation of the purchased assets by UBS, Citibank or Wells Fargo, as applicable, upon the occurrence and continuation of certain events of default, including a change of control of us, which includes Tremont ceasing to act as our sole manager or to be a wholly owned subsidiary of RMR. Our Master Repurchase Agreements also provide that upon the repurchase of any then purchased asset, we are required to pay UBS, Citibank or Wells Fargo the outstanding purchase price of such purchased asset and accrued interest and any and all accrued and unpaid expenses of UBS, Citibank or Wells Fargo, as applicable, relating to such purchased asset.

In connection with our Master Repurchase Agreements, we entered into our guarantees, or the Master Repurchase Guarantees, which require us to guarantee 25% of the aggregate repurchase price, and 100% of losses in the event of certain bad acts, as well as any costs and expenses of UBS, Citibank and Wells Fargo, as applicable, related to our Master Repurchase Agreements. The Master Repurchase Guarantees contain financial covenants, which require us to maintain a minimum tangible net worth, a minimum liquidity and a minimum interest coverage ratio and to satisfy a total indebtedness to stockholders' equity ratio.

In connection with the BMO Loan Program Agreement, we have agreed to guarantee certain of the obligations under the BMO Loan Program Agreement and the BMO Facility Loan Agreements pursuant to a limited guaranty from us to and for the benefit of the administrative agent for itself and such other lenders, or the BMO Guaranty. Specifically, the BMO Guaranty requires us to guarantee 25% of the then current outstanding principal balance of the facility loans and 100% of losses or the entire indebtedness in the event of certain bad acts as well as any costs and expenses of the administrative agent or lenders related to the BMO Loan Program Agreement. In addition, the BMO Guaranty contains financial covenants that require us to maintain a minimum tangible net worth and a minimum liquidity and to satisfy a total indebtedness to stockholders’ equity ratio. Our BMO Loan Program Agreement provides for acceleration of all payment obligations due under the BMO Facility Loan Agreements upon the occurrence and continuation of certain events of default, including a change of control of us, which includes Tremont ceasing to act as our sole manager or to be a wholly owned subsidiary of RMR.

As of December 31, 2025, we had a $423,643 aggregate outstanding principal balance under our Master Repurchase Facilities. Our Master Repurchase Agreements are structured with risk mitigation mechanisms, including a cash flow sweep, which would allow UBS, Citibank and Wells Fargo, as applicable, to control interest payments from our borrowers under our loans that are financed under our respective Master Repurchase Facilities, and the ability to accelerate dates of repurchase and institute margin calls, which may require us to pay down balances associated with one or more of our loans that are financed under our Master Repurchase Facilities.

As of December 31, 2025, we had a $64,632 aggregate outstanding principal balance under the BMO Facility.

As of December 31, 2025, we were in compliance with all covenants and other terms under our Secured Financing Facilities.

Related Person Transactions

We have relationships and historical and continuing transactions with Tremont, RMR, RMR Inc. and others related to them. For further information about these and other such relationships and related person transactions, see Notes 8 and 9 to our Consolidated Financial Statements included in Part IV, Item 15 of this Annual Report on Form 10-K and our other filings with the SEC, which are incorporated herein by reference, including our definitive Proxy Statement for our 2026 Annual Meeting of Shareholders, or our 2026 Proxy Statement, to be filed with the SEC within 120 days after the fiscal year ended December 31, 2025. For further information about the risks that may arise as a result of these and other related person transactions and relationships, see elsewhere in this Annual Report on Form 10-K, including "Warning Concerning Forward-Looking Statements," Part I, Item 1, "Business" and Part I, Item 1A, "Risk Factors." We may engage in additional transactions with related persons, including businesses to which RMR or its subsidiaries provide management services.

Critical Accounting Estimates

Our consolidated financial statements are prepared in accordance with GAAP, which requires the use of estimates and assumptions that involve the exercise of judgment regarding future events and other uncertainties. In accordance with SEC guidance, the following discussion addresses the accounting policies that apply to our operations. Our most critical accounting policies involve decisions and assessments that could affect our reported assets and liabilities, as well as our reported revenues and expenses. We believe that our decisions and assessments upon which our consolidated financial statements are based are reasonable, based upon information available to us. Our critical accounting policies and accounting estimates may be changed over time as our strategies change or as we expand our business. Those accounting policies and estimates that are most critical to an investor's understanding of our financial results and condition and require complex management judgment are discussed below.

Revenue Recognition. Interest income related to our CRE mortgage loans is generally accrued based on the coupon rates applied to the outstanding principal balance of such loans. Fees, premiums and discounts, if any, are amortized or accreted into interest income over the remaining lives of the loans using the effective interest method, as adjusted for any prepayments.

If a loan's interest or principal payments are not paid when due and there is uncertainty that such payments will be collected, the loan may be categorized as non-accrual and no interest will be recorded until it is collected. When all overdue payments are collected and, in our judgment, a loan is likely to remain current, it may be re-categorized as accrual.

For loans purchased at a discount, GAAP limits the yield that may be accreted (accretable yield) to the excess of the investor's estimate of undiscounted expected principal, interest and other cash flows (cash flows expected at acquisition to be collected) over the investor's initial investment in the loan. GAAP also requires that the excess of contractual cash flows over cash flows expected to be collected (non-accretable difference) not be recognized as an adjustment of yield, loss accrual or valuation allowance. Subsequent increases in cash flows expected to be collected from such loans generally will be recognized prospectively through adjustment of the loan's yield over its remaining life. Decreases in cash flows expected to be collected will be recorded through our provision for credit losses.

Loans Held For Investment. Generally, our loans are classified as held for investment based upon our intent and ability to hold them until maturity. Loans that are held for investment are carried at cost, net of unamortized loan origination fees, accreted exit fees, unamortized premiums and unaccreted discounts, as applicable, that are required to be recognized in the carrying value of the loans in accordance with GAAP, unless the loans are deemed to be collateral dependent. Loans that we have a plan to sell or liquidate are held at the lower of cost or fair value less cost to sell.

Allowance for Credit Losses. We recognize the allowance for credit losses under the current expected credit loss, or CECL, model. The CECL measurement is based upon historical experience, current conditions, and reasonable and supportable

forecasts incorporating forward-looking information that affect the collectability of the reported amount. The CECL model is applicable to financial assets measured at amortized cost and off-balance sheet credit exposures, such as unfunded loan commitments.

The allowance for credit losses is a valuation account that is deducted from the related loans' amortized cost basis in our consolidated balance sheets. Our loans typically include commitments to fund incremental proceeds to borrowers over the life of the loan. The allowance for credit losses related to unfunded loan commitments is included in accounts payable, accrued liabilities and other liabilities in our consolidated balance sheets.

Given the lack of historical loss data related to our loan portfolio, we estimate our expected losses using an analytical model that considers the likelihood of default and loss given default for each individual loan. This analytical model incorporates data from a third party database with historical loan loss information for commercial mortgage-backed securities, or CMBS, and CRE loans since 1998. Significant inputs to the model include certain loan specific data, such as LTV, property type, geographic location, occupancy, vintage year, remaining loan term, net operating income, expected timing and amounts of future loan fundings, and macroeconomic forecast assumptions, including the performance of CRE assets, unemployment rates, interest rates and other factors. We utilize the model to estimate credit losses over a reasonable and supportable economic forecast period of 12 months, followed by a straight-line reversion period of 12 months to average historical losses. Average historical losses are established using a population of third party historical loss data that approximates our portfolio as of the measurement date. We evaluate the estimated allowance for each of our loans individually and we consider our internal loan risk rating as the primary credit quality indicator underlying our assessment.

We have elected to exclude accrued interest receivable from amortized cost and not to measure an allowance for credit losses on accrued interest receivable. Accrued interest receivables are generally written off when payments are 120 days past due. Such amounts are reversed against interest income and no further interest will be recorded until it is collected.

If a loan is determined to be collateral dependent (because the repayment of the loan is expected to be provided substantially through the operation or sale of the underlying collateral property) and the borrower is experiencing financial difficulties, but foreclosure is not probable, we may elect to apply a practical expedient to determine the loan's allowance for credit losses by comparing the collateral's fair value to the amortized cost basis of the loan. For collateral-dependent loans for which foreclosure is probable, the related allowance for credit losses is determined using the fair value, less costs to sell, if applicable, of the collateral compared to the loan's amortized cost.

Significant judgments are required in our estimation of our allowance for credit losses, including but not limited to the amount and timing of future fundings, repayments and macroeconomic forecast assumptions. Therefore, actual results over time could differ materially from our estimates.

We evaluate the credit quality of each of our loans at least quarterly by assessing a variety of risk factors in relation to each loan and assigning a risk rating to each loan based on those factors. Factors considered in these evaluations include, but are not limited to, property type, geographic and local market dynamics, physical condition, leasing and tenant profile, projected cash flow, risk of loss, current LTV, debt yield, collateral performance, structure, exit plan and sponsorship. We apply the different factors on a case-by-case basis depending on the facts and circumstances for each loan, and the different factors may be given different weightings in different situations. Loans are rated "1" (less risk) through "5" (greater risk) as defined below:

"1" lower risk—Criteria reflects a sponsor having a strong financial condition and low credit risk and our evaluation of management's experience; collateral performance exceeding performance metrics included in the business plan or credit underwriting; and the property demonstrating stabilized occupancy and/or market rates, resulting in strong current cash flow and net operating income and/or having a very low LTV.

"2" average risk—Criteria reflects a sponsor having a stable financial condition and our evaluation of management's experience; collateral performance meeting or exceeding substantially all performance metrics included in the business plan or credit underwriting; and the property demonstrating improved occupancy at market rents, resulting in sufficient current cash flow and/or having a low LTV.

"3" acceptable risk—Criteria reflects a sponsor having a history of repaying loans at maturity and meeting its credit obligations and our evaluation of management's experience; collateral performance expected to meet performance metrics included in the business plan or credit underwriting; and the property having a moderate LTV. New loans and loans with a limited history will typically be assigned this rating and will be adjusted to other levels from time to time as appropriate.

"4" higher risk—Criteria reflects a sponsor having a history of unresolved missed or late payments, maturity extensions and difficulty timely fulfilling its credit obligations and our evaluation of management's experience; collateral performance

failing to meet the business plan or credit underwriting; the existence of a risk of default possibly leading to a loss and/or potential weaknesses that deserve management's attention; and/or the property having a high LTV.

"5" loss likely—Criteria reflects a very high risk of realizing a principal loss or having incurred a principal loss; a sponsor having a history of default payments, trouble fulfilling its credit obligations, deeds in lieu of foreclosures, and/or bankruptcies; collateral performance is significantly worse than performance metrics included in the business plan; loan covenants or performance milestones having been breached or not attained; timely exit via sale or refinancing being uncertain; and/or the property having a very high LTV.

Real Estate Owned. Upon acquisition, real estate owned is recognized at the fair value of the property at the time of acquisition. We allocate the purchase price to land, building and improvements and intangibles based on determinations of the relative fair values of these assets assuming the properties are vacant. The fair value of the property and the allocation of the purchase price are based on our estimates, which are informed by standard industry valuation methods, including discounted cash flow analyses and sales comparisons.

We regularly evaluate real estate owned for indicators of impairment. Impairment indicators may include declining tenant occupancy, lack of progress leasing vacant space, tenant bankruptcies, low long term prospects for improvement in property performance, weak or declining tenant profitability, cash flow or liquidity, our decision to dispose of an asset before the end of its estimated useful life and legislative, market or industry changes that could permanently reduce the value of a property. If indicators of impairment are present, we evaluate the carrying value of the related property by comparing it to the expected future undiscounted cash flows to be generated from that property. If the sum of these expected future cash flows is less than the carrying value, we reduce the net carrying value of the property to its fair value. This analysis requires us to judge whether indicators of impairment exist and to estimate likely future cash flows. The future net undiscounted cash flows are subjective and are based in part on assumptions regarding hold periods, market rents and terminal capitalization rates. If we misjudge or estimate incorrectly or if future tenant operations, market or industry factors differ from our expectations we may record an impairment charge that is inappropriate or fail to record a charge when we should have done so, or the amount of any such charges may be inaccurate.

These accounting policies involve significant judgments made based upon our experience and the experience of our management and our Board of Trustees, including judgments about current valuations, ultimate realizable value, estimated useful lives, salvage or residual value, the ability and willingness of our tenants to perform their obligations to us, current and future economic conditions and competitive factors in the markets in which our properties are located. Competition, economic conditions and other factors may cause occupancy declines in the future. In the future, we may need to revise our carrying value assessments to incorporate information which is not now known, and such revisions could decrease the carrying values of our assets.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 8. Financial Statements and Supplementary Data

The information required by this Item is included in Item 15 of this Annual Report on Form 10-K.

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

None.

Item 9A. Controls and Procedures

As of the end of the period covered by this Annual Report on Form 10-K, our management carried out an evaluation, under the supervision and with the participation of our Managing Trustees, our President and Chief Investment Officer and our Chief Financial Officer and Treasurer, of the effectiveness of our disclosure controls and procedures pursuant to Rules 13a-15 and 15d-15 under the Exchange Act. Based upon that evaluation, our Managing Trustees, our President and Chief Investment Officer and our Chief Financial Officer and Treasurer concluded that our disclosure controls and procedures are effective.

There have been no changes in our internal control over financial reporting during the quarter ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management Report on Assessment of Internal Control Over Financial Reporting

We are responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control system is designed to provide reasonable assurance to our management and Board of Trustees regarding the preparation and fair presentation of published financial statements. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2025. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) in *Internal Control - Integrated Framework*. Based on our assessment, we believe that, as of December 31, 2025, our internal control over financial reporting is effective.

This Annual Report on Form 10-K does not include an attestation report from our registered public accounting firm on our internal control over financial reporting due to the exemption for non-accelerated filers.

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

We have a Code of Conduct that applies to our officers and Trustees, Tremont, RMR, members of the board of directors of Tremont and RMR Inc., employees of Tremont and employees of RMR who provide significant services to us. Our Code of Conduct is posted on our website, www.sevnreit.com. A printed copy of our Code of Conduct is also available free of charge to any person who requests a copy by writing to our Secretary, Seven Hills Realty Trust, Two Newton Place, 255 Washington Street, Suite 300, Newton, MA 02458-1634. We intend to satisfy the requirements under Item 5.05 of Form 8-K regarding disclosure of any amendments to, or waivers from, our Code of Conduct that apply to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, on our website.

We have adopted comprehensive insider trading policies and procedures that apply to trustees, directors, officers and employees, as applicable, of us and RMR. These policies are designed to prevent trading on the basis of material nonpublic information and to ensure compliance with applicable securities laws. The policies include provisions for pre-clearance of trades, blackout periods and the establishment of Rule-10b5-1 trading plans. A copy of our insider trading policy is filed as an exhibit to this Annual Report on Form 10-K.

The remainder of the information required by Item 10 will be included in our 2026 Proxy Statement and is incorporated herein by reference.

Item 11. Executive Compensation

The information required by Item 11 will be included in our 2026 Proxy Statement and is incorporated herein by reference.

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

Equity Compensation Plan Information. We may grant common shares to our officers and other employees of Tremont and of RMR under our Amended and Restated 2021 Equity Compensation Plan, or the 2021 Plan. In addition, each of our Trustees receives common shares as part of his or her annual compensation for serving as a Trustee and such shares are awarded under the 2021 Plan. The terms of awards made under the 2021 Plan are determined by the Compensation Committee of our Board of Trustees at the time of the awards. The table below is as of December 31, 2025:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders - 2021 Plan	None	None	415,840 (1)
Equity compensation plans not approved by security holders	None	None	None
Total	None	None	415,840 (1)

(1) Consists of common shares available for issuance pursuant to the terms of the 2021 Plan. Share awards that are repurchased or forfeited will be added to the common shares available for issuance under the 2021 Plan.

Payments by us to RMR and RMR employees are described in Notes 7 and 9 to our Consolidated Financial Statements included in Part IV, Item 15 of this Annual Report on Form 10-K. The remainder of the information required by Item 12 will be included in our 2026 Proxy Statement and is incorporated herein by reference.

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

The information required by Item 13 will be included in our 2026 Proxy Statement and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The information required by Item 14 will be included in our 2026 Proxy Statement and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Index to Financial Statements and Financial Statement Schedules

The following consolidated financial statements of Seven Hills Realty Trust are included on the pages indicated:

	Page
Report of Independent Registered Public Accounting Firm (PCAOB ID No. 34)	F-1
Consolidated Balance Sheets as of December 31, 2025 and 2024	F-3
Consolidated Statements of Operations for the years ended December 31, 2025 and 2024	F-4
Consolidated Statements of Shareholders' Equity for the years ended December 31, 2025 and 2024	F-5
Consolidated Statements of Cash Flows for the years ended December 31, 2025 and 2024	F-6
Notes to Consolidated Financial Statements	F-7
Schedule IV - Mortgage Loans on Real Estate	S-1

All other schedules for which provision is made in the applicable accounting regulations of the SEC are not required under the related instructions, or are inapplicable, and therefore have been omitted.

(b) Exhibits

Exhibit Number	Description
3.1	Declaration of Trust of the Company, dated December 21, 2021. (Incorporated by reference to Exhibit 3.1 of the Current Report on Form 8-K filed by the Company on December 22, 2021.)
3.2	Second Amended and Restated Bylaws of the Company, as of May 30, 2024. (Incorporated by reference to Exhibit 3.2 of the Current Report on Form 8-K filed by the Company on June 3, 2024.)
4.1	Form of Common Share Certificate. (Incorporated by reference to Exhibit 4.1 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023.)
4.2	Description of Securities. (Incorporated by reference to Exhibit 4.2 of the Company's Annual Report on Form 10-K for the year ended December 31, 2022.)
8.1	Opinion of Sullivan & Worcester LLP as to certain tax matters. (Filed herewith.)
10.1	Management Agreement, dated January 5, 2021, by and between the Company and Tremont Realty Capital LLC, and, solely in respect to Section 29 thereof, The RMR Group Inc.(+) (Incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed by the Company on January 6, 2021.)
10.2	Letter Agreement, dated as of April 26, 2021, among the Company, Tremont Mortgage Trust and Tremont Realty Capital LLC.(+) (Incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed by the Company on April 27, 2021.)
10.3	Second Amended and Restated Seven Hills Realty Trust 2021 Equity Compensation Plan.(+) (Incorporated by reference to Annex A to the Registrant's definitive Proxy Statement for the Registrant's 2025 Annual Meeting of Shareholders filed on March 19, 2025.)
10.4	Form of Share Award Agreement.(+) (Incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023.)
10.5	Form of Indemnification Agreement.(+) (Incorporated by reference to Exhibit 10.3 of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023.)
10.6	Master Repurchase Agreement, dated February 18, 2021, by and between RMTG Lender LLC and UBS AG. (Incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed by the Company on February 22, 2021.)
10.7	Limited Guaranty, dated February 18, 2021, by the Company, in favor of UBS AG. (Incorporated by reference to Exhibit 10.2 of the Current Report on Form 8-K filed by the Company on February 22, 2021.)
10.8	Amendment No. 2 to Master Repurchase Agreement, dated March 9, 2022, by and between RMTG Lender LLC and UBS AG. (Incorporated by reference to Exhibit 10.3 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2022.)
10.9	Amendment No. 3 to Master Repurchase Agreement, dated February 9, 2026, among UBS AG, RMTG Lender LLC and the Company. (Filed herewith.)
10.10	Amended and Restated Master Repurchase Agreement, dated March 15, 2022, by and between TRMT CB Lender LLC and Citibank, N.A. (Incorporated by reference to Exhibit 10.3 of the Current Report on Form 8-K filed by the Company on March 16, 2022.)
10.11	Amended and Restated Guaranty, dated as of September 30, 2021, by the Company in favor of Citibank, N.A. (Incorporated by reference to Exhibit 10.13 of the Company's Annual Report on Form 10-K for the year ended December 31, 2021.)
10.12	First Amendment to Amended and Restated Master Repurchase Agreement, dated September 27, 2024, by and between TRMT CB Lender LLC and Citibank, N.A. (Incorporated by reference to Exhibit 10.11 of the Company's Annual Report on Form 10-K for the year ended December 31, 2024.)
10.13	Facility Loan Program Agreement and Security Agreement, dated November 9, 2021, by and between Seven Hills BH Lender LLC and BMO Harris Bank N.A. (Incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed by the Company on November 12, 2021.)
10.14	First Amendment to Facility Loan Program Agreement and Security Agreement, dated April 25, 2022, by and between Seven Hills BH Lender, LLC and BMO Harris Bank N.A. (Incorporated by reference to Exhibit 10.4 of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022.)
10.15	Guaranty, dated November 9, 2021, by the Company, to and for the benefit of BMO Harris Bank N.A. (Incorporated by reference to Exhibit 10.2 of the Current Report on Form 8-K filed by the Company on November 12, 2021.)

10.16	First Amendment to Guaranty, dated April 25, 2022, by the Company, to and for the benefit of BMO Harris Bank N.A. (Incorporated by reference to Exhibit 10.5 of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022.)
10.17	Master Repurchase and Securities Contract, dated March 11, 2022, by and between Seven Hills WF Lender LLC and Wells Fargo Bank, National Association. (Incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed by the Company on March 16, 2022.)
10.18	Guarantee Agreement, dated March 11, 2022, by the Company, in favor of Wells Fargo Bank, National Association. (Incorporated by reference to Exhibit 10.2 of the Current Report on Form 8-K filed by the Company on March 16, 2022.)
10.19	First Amendment to Master Repurchase and Securities Contract, dated October 25, 2024, by and between Seven Hills WF Lender LLC and Wells Fargo Bank, National Association. (Incorporated by reference to Exhibit 10.18 of the Company's Annual Report on Form 10-K for the year ended December 31, 2024.)
10.20	Second Amendment to Master Repurchase and Securities Contract, dated February 17, 2026, by and between Seven Hills WF Lender LLC and Wells Fargo Bank, National Association. (Filed herewith.)
10.21	Property Management Agreement, dated as of July 8, 2023, between The RMR Group LLC and Floral Vale LLC, a subsidiary of the Company. (Incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023.)
10.22	Rights Offering Backstop Agreement, dated October 30, 2025, by and between the Company and Tremont Realty Capital, LLC. (Incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed by the Company on October 30, 2025.)
19.1	Seven Hills Realty Trust Insider Trading Policies and Procedures.† (Filed herewith.)
21.1	Subsidiaries of the Company. (Filed herewith.)
23.1	Consent of Deloitte & Touche LLP. (Filed herewith.)
23.2	Consent of Sullivan & Worcester LLP. (Contained in Exhibit 8.1)
31.1	Rule 13a-14(a) Certification. (Filed herewith.)
31.2	Rule 13a-14(a) Certification. (Filed herewith.)
31.3	Rule 13a-14(a) Certification. (Filed herewith.)
31.4	Rule 13a-14(a) Certification. (Filed herewith.)
32.1	Section 1350 Certification of Chief Executive Officer and Chief Financial Officer. (Furnished herewith.)
97.1	Seven Hills Realty Trust Clawback Policy. (Incorporated by reference to Exhibit 97.1 of the Company's Annual Report on Form 10-K for the year ended December 31, 2023.)
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document. (Filed herewith.)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document. (Filed herewith.)
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document. (Filed herewith.)
101.LAB	XBRL Taxonomy Extension Label Linkbase Document. (Filed herewith.)
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document. (Filed herewith.)
104	Cover Page Interactive Data File. (Formatted as Inline XBRL and contained in Exhibit 101.)

(+) Contract with management or compensatory plan or arrangement.
† This document was previously filed as Exhibit 19.1 to our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on February 18, 2025, and is being refiled to correct a scrivener's error.

Item 16. Form 10-K Summary

None.

Report of Independent Registered Public Accounting Firm

To the Trustees and Shareholders of Seven Hills Realty Trust

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Seven Hills Realty Trust and subsidiaries (the "Company") as of December 31, 2025 and 2024, the related consolidated statements of operations, shareholders' equity, and cash flows, for each of the two years in the period ended December 31, 2025, and the related notes and the schedule listed in the Index at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

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

Critical Audit Matter

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

Allowance for credit losses – Refer to Notes 2 and 3 to the financial statements

The allowance for credit losses for loans held for investment is a management estimate that is developed using an analytical model. The allowance is estimated at the individual loan level and utilizes significant inputs in the analytical model that includes loan specific data, as well as macroeconomic forecast assumptions.

Macroeconomic forecast assumptions include the performance of commercial real estate assets, unemployment rates, interest rates and other factors. We have identified the macroeconomic factors within the CECL allowance estimate as a critical audit matter because of the subjectivity, complexity and estimate uncertainty in determining the impact of the factors on the Company's allowance for credit losses.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures to assess the macroeconomic factors applied by management to determine the allowance for credit losses included, among others:

- We tested the design and implementation of controls over management's review of the allowance for credit losses, including management's judgements involved in determination of the macroeconomic factors applied to determine the allowance for credit losses.
- We evaluated the reasonableness of the methodology and macroeconomic assumptions used by management to develop the allowance for credit losses.
- We tested the accuracy and completeness of quantitative data used by management to develop the adjustments to account for current and future economic conditions.
- We utilized credit specialists to assist in the evaluation of management's allowance for credit losses methodology and assumptions, including the macroeconomic assumptions.

/s/ Deloitte & Touche LLP

Boston, Massachusetts
February 18, 2026

We have served as the Company's auditor since 2021.

SEVEN HILLS REALTY TRUST
CONSOLIDATED BALANCE SHEETS
(dollars in thousands, except per share data)

	December 31,	
	2025	**2024**
ASSETS		
Cash and cash equivalents	$ 123,471	$ 70,750
Loans held for investment	685,707	609,916
Allowance for credit losses	(8,799)	(8,074)
Loans held for investment, net	676,908	601,842
Real estate owned, net	10,986	11,187
Acquired real estate leases, net	2,772	3,366
Accrued interest receivable	3,186	2,954
Prepaid expenses and other assets, net	3,533	2,709
Total assets	$ 820,856	$ 692,808
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable, accrued liabilities and other liabilities	$ 3,305	$ 3,982
Secured financing facilities, net	487,657	417,796
Due to related persons	1,243	1,752
Total liabilities	492,205	423,530
Commitments and contingencies		
Shareholders' equity:		
Common shares of beneficial interest, $0.001 par value per share; 25,000,000 shares authorized; 22,584,285 and 14,902,773 shares issued and outstanding, respectively	23	15
Additional paid in capital	303,191	240,425
Cumulative net income	104,914	89,480
Cumulative distributions	(79,477)	(60,642)
Total shareholders' equity	328,651	269,278
Total liabilities and shareholders' equity	$ 820,856	$ 692,808

See accompanying notes.

SEVEN HILLS REALTY TRUST
CONSOLIDATED STATEMENTS OF OPERATIONS
(amounts in thousands, except per share data)

	Year Ended December 31,	
	2025	**2024**
INCOME FROM INVESTMENTS:		
Interest and related income	$ 56,340	$ 64,762
Less: interest and related expenses	(29,485)	(31,769)
Income from loan investments, net	26,855	32,993
Revenue from real estate owned	2,528	2,281
Total revenue	29,383	35,274
OTHER EXPENSES:		
Base management fees	4,360	4,329
Incentive fees	625	974
General and administrative expenses	4,438	3,902
Reimbursement of shared services expenses	2,040	2,647
Provision for credit losses	203	3,080
Expenses from real estate owned	2,269	2,489
Total other expenses	13,935	17,421
Income before income taxes	15,448	17,853
Income tax expense	(14)	(33)
Net income	$ 15,434	$ 17,820
Weighted average common shares outstanding - basic and diluted	15,240	14,712
Net income per common share - basic and diluted	$ 1.00	$ 1.20

See accompanying notes.

SEVEN HILLS REALTY TRUST
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(amounts in thousands)

	Number of Common Shares	Common Shares	Additional Paid In Capital	Cumulative Net Income	Cumulative Distributions	Total
Balance at December 31, 2023	14,811	$ 15	$ 239,443	$ 71,660	$ (39,870)	$ 271,248
Share grants	120	—	1,359	—	—	1,359
Share repurchases	(28)	—	(377)	—	—	(377)
Net income	—	—	—	17,820	—	17,820
Distributions	—	—	—	—	(20,772)	(20,772)
Balance at December 31, 2024	14,903	15	240,425	89,480	(60,642)	269,278
Issuance of shares, net	7,520	8	61,413	—	—	61,421
Share grants	197	—	1,736	—	—	1,736
Share repurchases	(36)	—	(383)	—	—	(383)
Net income	—	—	—	15,434	—	15,434
Distributions	—	—	—	—	(18,835)	(18,835)
Balance at December 31, 2025	22,584	$ 23	$ 303,191	$ 104,914	$ (79,477)	$ 328,651

See accompanying notes.

SEVEN HILLS REALTY TRUST
CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in thousands)

	Year Ended December 31,	
	2025	**2024**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 15,434	$ 17,820
Adjustments to reconcile net income to net cash provided by operating activities:		
Accretion of purchase discount	(37)	(2,347)
Provision for credit losses	203	3,080
Amortization of loan origination and exit fees	(2,052)	(2,697)
Amortization of deferred financing costs	1,533	1,423
Deferred interest capitalized to loans held for investment	(1,008)	—
Straight line rental income	(117)	(447)
Depreciation and amortization	1,106	1,291
Share based compensation	1,736	1,359
Changes in operating assets and liabilities:		
Accrued interest receivable	(232)	678
Prepaid expenses and other assets	(799)	188
Accounts payable, accrued liabilities and other liabilities	(220)	57
Due to related persons	(509)	(295)
Net cash provided by operating activities	15,038	20,110
CASH FLOWS FROM INVESTING ACTIVITIES:		
Origination and acquisition of loans held for investment	(208,834)	(132,061)
Additional funding of loans held for investment	(6,578)	(12,333)
Repayment of loans held for investment	142,718	165,984
Real estate owned improvements	(263)	(329)
Net cash (used in) provided by investing activities	(72,957)	21,261
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from secured financing facilities	178,405	101,335
Repayments under secured financing facilities	(109,752)	(137,529)
Payments of deferred financing costs	(325)	(1,133)
Proceeds from issuance of common shares, net	61,530	—
Repurchase of common shares	(383)	(377)
Distributions	(18,835)	(20,772)
Net cash provided by (used in) financing activities	110,640	(58,476)
Increase (decrease) in cash and cash equivalents	52,721	(17,105)
Cash and cash equivalents at beginning of period	70,750	87,855
Cash and cash equivalents at end of period	$ 123,471	$ 70,750
SUPPLEMENTAL DISCLOSURES:		
Interest paid	$ 27,778	$ 30,555
Income taxes refunded	$ (14)	$ (35)

See accompanying notes.

SEVEN HILLS REALTY TRUST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(dollars in thousands, except per share data)

Note 1. Organization

Seven Hills Realty Trust is a Maryland real estate investment trust, or REIT, that focuses primarily on originating and investing in first mortgage loans secured by middle market transitional commercial real estate, or CRE.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation. These consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles, or GAAP, which requires us to make estimates and assumptions that affect reported amounts. Actual results could differ from those estimates. Significant estimates in the accompanying consolidated financial statements include our allowance for credit losses and the fair value of financial instruments.

Consolidation. These consolidated financial statements include the accounts of ours and our subsidiaries, all of which are 100% owned directly by us. All intercompany transactions and balances with or among our consolidated subsidiaries have been eliminated.

For each loan investment we make, we evaluate whether we have a controlling financial interest and consolidation of the borrower's financial statements is required under GAAP.

Cash and Cash Equivalents. We consider highly liquid investments with original maturities of three months or less at the date of purchase to be cash equivalents.

Secured Financing Agreements. Loans financed through our Secured Financing Agreements (as defined in Note 5) are treated as collateralized financing transactions, unless they meet sales treatment under GAAP. Pursuant to GAAP treatment of collateralized financing transactions, loans financed through our Secured Financing Agreements remain on our consolidated balance sheets as assets and cash received from the purchasers is recorded on our consolidated balance sheets as liabilities. Interest paid in accordance with our Secured Financing Agreements is recorded as interest expense.

Loans Held for Investment. Generally, our loans are classified as held for investment based upon our intent and ability to hold them until maturity. Loans that are held for investment are carried at cost, net of unamortized loan origination fees, accreted exit fees, unamortized premiums and unaccreted discounts, as applicable, that are required to be recognized in the carrying value of the loans in accordance with GAAP, unless the loans are determined to be collateral dependent. Loans that we have a plan to sell or liquidate are held at the lower of cost or fair value less cost to sell.

Allowance for Credit Losses. We recognize the allowance for credit losses under the current expected credit loss, or CECL, model. The CECL measurement is based upon historical experience, current conditions, and reasonable and supportable forecasts incorporating forward-looking information that affect the collectability of the reported amount. The CECL model is applicable to financial assets measured at amortized cost and off-balance sheet credit exposures, such as unfunded loan commitments.

The allowance for credit losses is a valuation account that is deducted from the related loans' amortized cost basis in our consolidated balance sheets. Our loans typically include commitments to fund incremental proceeds to borrowers over the life of the loan. The allowance for credit losses related to unfunded loan commitments is included in accounts payable, accrued liabilities and other liabilities in our consolidated balance sheets.

Given the lack of historical loss data related to our loan portfolio, we estimate our expected losses using an analytical model that considers the likelihood of default and loss given default for each individual loan. This analytical model incorporates data from a third party database with historical loan loss information for commercial mortgage-backed securities, or CMBS, and CRE loans since 1998. We estimate the allowance for credit losses for our portfolio, including unfunded loan commitments, at the individual loan level. Significant inputs to the model include certain loan specific data, such as loan to value, or LTV, property type, geographic location, occupancy, vintage year, remaining loan term, net operating income, expected timing and amounts of future loan fundings and macroeconomic forecast assumptions, including the performance of CRE assets, unemployment rates, interest rates and other factors. We utilize the model to estimate credit losses over a reasonable and supportable economic forecast period of 12 months, followed by a straight-line reversion period of 12 months to average historical losses. Average historical losses are established using a population of third party historical loss data that approximates our portfolio as of the measurement date. We evaluate the estimated allowance for each of our loans individually and we consider our internal loan risk rating as the primary credit quality indicator underlying our assessment.

We have elected to exclude accrued interest receivable from amortized cost and not to measure an allowance for credit losses on accrued interest receivable. Accrued interest receivables are generally written off when payments are 120 days past due. Such amounts are reversed against interest income and no further interest will be recorded until it is collected.

If a loan is determined to be collateral dependent (because the repayment of the loan is expected to be provided substantially through the operation or sale of the underlying collateral property) and the borrower is experiencing financial difficulties, but foreclosure is not probable, we may elect to apply a practical expedient to determine the loan's allowance for credit losses by comparing the collateral's fair value to the amortized cost basis of the loan. For collateral-dependent loans for which foreclosure is probable, the related allowance for credit losses is determined using the fair value, less costs to sell, if applicable, of the collateral compared to the loan's amortized cost.

We evaluate the credit quality of each of our loans at least quarterly by assessing a variety of risk factors in relation to each loan and assigning a risk rating to each loan based on those factors. Factors considered in these evaluations include, but are not limited to, property type, geographic and local market dynamics, physical condition, leasing and tenant profile, projected cash flow, risk of loss, current LTV, debt yield, collateral performance, structure, exit plan and sponsorship. Loans are rated “1” (less risk) through “5” (greater risk) as defined below:

“1” lower risk—Criteria reflects a sponsor having a strong financial condition and low credit risk and our evaluation of management's experience; collateral performance exceeding performance metrics included in the business plan or credit underwriting; and the property demonstrating stabilized occupancy and/or market rates, resulting in strong current cash flow and net operating income and/or having a very low LTV.

“2” average risk—Criteria reflects a sponsor having a stable financial condition and our evaluation of management's experience; collateral performance meeting or exceeding substantially all performance metrics included in the business plan or credit underwriting; and the property demonstrating improved occupancy at market rents, resulting in sufficient current cash flow and/or having a low LTV.

“3” acceptable risk—Criteria reflects a sponsor having a history of repaying loans at maturity and meeting its credit obligations and our evaluation of management's experience; collateral performance expected to meet performance metrics included in the business plan or credit underwriting; and the property having a moderate LTV. New loans and loans with a limited history will typically be assigned this rating and will be adjusted to other levels from time to time as appropriate.

“4” higher risk—Criteria reflects a sponsor having a history of unresolved missed or late payments, maturity extensions and difficulty timely fulfilling its credit obligations and our evaluation of management's experience; collateral performance failing to meet the business plan or credit underwriting; the existence of a risk of default possibly leading to a loss and/or potential weaknesses that deserve management’s attention; and/or the property having a high LTV.

“5” loss likely—Criteria reflects a very high risk of realizing a principal loss or having incurred a principal loss; a sponsor having a history of default payments, trouble fulfilling its credit obligations, deeds in lieu of foreclosures, and/or bankruptcies; collateral performance is significantly worse than performance metrics included in the business plan; loan covenants or performance milestones having been breached or not attained; timely exit via sale or refinancing being uncertain; and/or the property having a very high LTV.

See Note 3 for further information regarding our allowance for credit losses and our loan portfolio’s assessment under our internal risk rating policy.

Real Estate Owned. Real estate owned is property acquired in full or partial settlement of loan obligations generally through foreclosure or by deed in lieu of foreclosure. Upon acquisition, we allocate the fair value of the real estate owned in accordance with Accounting Standards Codification, or ASC, 805, *Business Combinations.*

Upon acquisition, real estate owned is recognized at the fair value of the property at the time of acquisition. We allocate the purchase price to land, building and improvements, and acquired in place leases based on determinations of the relative fair values of these assets assuming the properties are vacant. The fair value of the property is determined using Level III inputs and standard industry valuation methods, including discounted cash flow analyses that are based on a number of factors, including capitalization rates and discount rates, among others, and sales comparisons. If the amortized cost of the loan exceeds the fair value of the property the difference is recorded through the allowance for credit losses as a write off. Conversely, if the fair value of the property exceeds the amortized cost of the loan, the difference is recorded through the allowance for credit losses

as a recovery, with any excess recorded as a gain. Any related shortfall or excess of previously established allowances for credit losses is recognized in the consolidated statements of operations as a provision for or reversal of credit losses, respectively.

Subsequent to acquisition, costs incurred related to improvements to the property are capitalized and depreciated over their estimated useful lives and costs related to the operation of the property are expensed as incurred. We recognize depreciation on a straight line basis over estimated useful lives generally ranging from 7 to 40 years.

We allocate a portion of the purchase price to acquired in place leases and tenant relationships based upon market estimates to lease up the property based on the leases in place at the time of acquisition. We allocate this aggregate value between acquired in place lease values and tenant relationships based on our evaluation of the specific characteristics of each tenant's lease. We amortize the value of acquired in place leases (included in acquired real estate leases, net in our consolidated balance sheets) over the terms of the associated leases. Such amortization is included in expenses from real estate owned in our consolidated statements of operations.

We regularly evaluate real estate owned for indicators of impairment. Impairment indicators may include declining tenant occupancy, lack of progress leasing vacant space, tenant bankruptcies, low long term prospects for improvement in property performance, weak or declining tenant profitability, cash flow or liquidity, our decision to dispose of an asset before the end of its estimated useful life and legislative, market or industry changes that could permanently reduce the value of a property. If there is an indication that the carrying value of an asset is not recoverable, we estimate the projected undiscounted cash flows to determine if an impairment loss should be recognized. The future net undiscounted cash flows are subjective and are based in part on assumptions regarding hold periods, market rents and terminal capitalization rates. We determine the amount of any impairment loss by comparing the carrying value to estimated fair value. We estimate fair value through an evaluation of recent financial performance and projected discounted cash flows using standard industry valuation methods.

See Note 4 for further information regarding our real estate owned.

Fair Value of Financial Instruments. We determine the estimated fair value of financial assets and liabilities using the three-tier fair value hierarchy established by GAAP, which prioritizes observable inputs in active markets when measuring fair value. The three levels of inputs that may be used to measure fair value in order of priority are as follows:

Level I—Inputs include quoted prices in active markets for identical assets or liabilities that we have the ability to access.

Level II—Inputs include quoted prices in markets that are less active or inactive or for which all significant inputs are observable, either directly or indirectly.

Level III—Inputs include unobservable prices and are supported by little or no market activity and are significant to the overall fair value measurement.

Loan Deferred Fees. Loan origination and exit fees are fees charged to our borrowers and unamortized or unaccreted balances are reflected as a reduction in loans held for investment, net, in our consolidated balance sheets. These fees are recognized in interest income over the life of the related loans held for investment.

Deferred Financing Costs. Costs incurred in connection with financings are capitalized and recorded as a reduction to the related liability in our consolidated balance sheets. Deferred financing costs are amortized over the term of the respective financing agreement and are recorded in our consolidated statements of operations as a component of interest and related expenses.

Net Income Per Common Share. We calculate net income per common share - basic using the two class method. We calculate net income per common share - diluted using the more dilutive of the two class or treasury stock method.

Revenue Recognition. Interest income related to our first mortgage loans secured by CRE will generally be accrued based on the coupon rates applied to the outstanding principal balance of such loans. Fees, premiums and discounts, if any, will be amortized or accreted into interest income over the remaining lives of the loans using the effective interest method, as adjusted for any prepayments.

If a loan's interest or principal payments are not paid when due and there is uncertainty that such payments will be collected, the loan may be categorized as non-accrual and no interest will be recorded until it is collected. When all overdue

payments are collected and, in our judgment, a loan is likely to remain current, it may be re-categorized as accrual. We did not have any non-accrual loans as of December 31, 2025 and 2024.

For loans purchased at a discount, GAAP limits the yield that may be accreted (accretable yield) to the excess of the investor's estimate of undiscounted expected principal, interest and other cash flows (cash flows expected at acquisition to be collected) over the investor's initial investment in the loan. GAAP also requires that the excess of contractual cash flows over cash flows expected to be collected (non-accretable difference) not be recognized as an adjustment of yield, loss accrual or valuation allowance. Subsequent increases in cash flows expected to be collected from such loans generally will be recognized prospectively through adjustment of the loan's yield over its remaining life. Decreases in cash flows expected to be collected will be recorded through our provision for credit losses.

Revenue from real estate owned represents rental income from operating leases with tenants and is recognized on a straight line basis over the lease term.

Segments. We operate in one business segment: originating and investing in floating rate first mortgage loans secured by CRE properties. See Note 13 for more information.

New Accounting Pronouncements. In November 2024, the Financial Accounting Standards Board, or FASB, issued Accounting Standards Update, or ASU, No. 2024-03, *Income Statement (Topic 220): Reporting Comprehensive Income - Expense Disaggregation Disclosures*, or ASU No. 2024-03, which requires public entities to provide disaggregated disclosure of certain income statement expense captions within the footnotes to the financial statements. ASU No. 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. We are currently evaluating the impact ASU No. 2024-03 will have on our consolidated financial statements and disclosures.

In November 2025, the FASB issued ASU No. 2025-08, *Financial Instruments-Credit Losses (Topic 326): Purchased Loans,* or ASU No. 2025-08, which amends the guidance under ASC 326 on the accounting for certain purchased financial assets subject to the CECL model. Specifically, ASU No. 2025-08 requires entities to account for loans that meet certain criteria at acquisition (purchased seasoned loans) by recognizing them at their purchase price plus an allowance for expected credit losses. ASU No. 2025-08 is effective for fiscal years beginning after December 15, 2026, including interim periods, with early adoption permitted. We have not early adopted ASU No. 2025-08 and do not expect the adoption of ASU No. 2025-08 to have a material impact on our consolidated financial statements.

Note 3. Loans Held for Investment, net

We originate first mortgage loans secured by middle market transitional CRE, which are generally to be held as long term investments.

The table below provides overall statistics for our loan portfolio as of December 31, 2025 and 2024:

	As of December 31,	
	2025	2024
Number of loans	24	21
Total loan commitments	$ 724,458	$ 641,213
Unfunded loan commitments [1]	$ 36,873	$ 30,402
Principal balance	$ 687,585	$ 610,811
Carrying value	$ 676,908	$ 601,842
Weighted average coupon rate	7.52%	8.24%
Weighted average all in yield [2]	7.92%	8.62%
Weighted average floor	2.81%	2.12%
Weighted average maximum maturity (years) [3]	2.6	2.6
Weighted average risk rating	2.8	3.1

(1) Unfunded loan commitments are primarily used to finance property improvements and leasing capital and are generally funded over the term of the loan.
(2) All in yield represents the yield on a loan, including amortization of deferred fees over the initial term of the loan and excluding any purchase discount accretion.
(3) Maximum maturity assumes all borrower loan extension options have been exercised, which options are subject to the borrower meeting certain conditions.

The table below represents our loan activities during 2024 and 2025:

	Principal Balance	Unamortized Deferred Fees and Other Items	Amortized Cost
Balance at December 31, 2023	$ 629,892	$ (3,430)	$ 626,462
Additional funding	12,492	(158)	12,334
Originations	133,817	(1,757)	132,060
Repayments	(165,390)	(594)	(165,984)
Net amortization of deferred fees	—	2,697	2,697
Purchase discount accretion	—	2,347	2,347
Balance at December 31, 2024	610,811	(895)	609,916
Additional funding	6,578	—	6,578
Deferred interest capitalized to loans held for investment	1,008	—	1,008
Originations and acquisitions [1]	211,198	(2,364)	208,834
Repayments	(142,010)	(708)	(142,718)
Net amortization of deferred fees	—	2,052	2,052
Purchase discount accretion [1]	—	37	37
Balance at December 31, 2025	$ 687,585	$ (1,878)	$ 685,707

(1) In November 2025, we acquired two loans from RMR for an aggregate purchase price of $61,733, which represented the outstanding principal balance of the loans at the time of acquisition. In connection with the acquisition, we recorded a $370 purchase discount, which represents an exit fee contractually due upon repayment of one of the acquired loans, which will be accreted into income over the remaining term of the loan. See Note 9 for further information regarding the acquisition of these loans.

The tables below detail the property type and geographic location of the properties securing the loans in our portfolio as of December 31, 2025 and 2024:

	As of December 31,					
	2025			2024		
Property Type	Number of Loans	Amortized Cost	Percentage of Value	Number of Loans	Amortized Cost	Percentage of Value
Multifamily	7	$ 203,495	30%	5	$ 163,987	27%
Office	6	165,745	24%	6	167,749	28%
Industrial	6	160,782	23%	5	136,646	22%
Hotel	4	121,393	18%	3	84,028	14%
Mixed Use	1	34,292	5%	—	—	—%
Retail	—	—	—%	2	57,506	9%
	24	$ 685,707	100%	21	$ 609,916	100%

	As of December 31,					
	2025			2024		
Geographic Location	Number of Loans	Amortized Cost	Percentage of Value	Number of Loans	Amortized Cost	Percentage of Value
East	7	$ 223,240	33%	4	$ 139,899	23%
South	8	222,512	32%	7	192,108	32%
West	6	134,741	20%	6	142,560	23%
Midwest	3	105,214	15%	4	135,349	22%
	24	$ 685,707	100%	21	$ 609,916	100%

Credit Quality Information and Allowance for Credit Losses

We evaluate the credit quality of each of our loans at least quarterly by assessing a variety of risk factors in relation to each loan and assigning a risk rating to each loan based on those factors. The higher the number, the greater the risk level.

As of December 31, 2025 and 2024, the amortized cost of our loan portfolio within each internal risk rating by year of origination was as follows:

	December 31, 2025								
Risk Rating	Number of Loans	Percentage of Portfolio	2025	2024	2023	2022	2021	Prior	Total
1	3	16%	$ —	$ 57,599	$ —	$ —	$ 54,982	$ —	$ 112,581
2	2	8%	27,992	—	28,988	—	—	—	56,980
3	15	59%	120,576	139,141	25,173	65,510	23,593	26,640	400,633
4	4	17%	—	—	—	—	115,513	—	115,513
5	—	—%	—	—	—	—	—	—	—
	24	100%	$ 148,568	$ 196,740	$ 54,161	$ 65,510	$ 194,088	$ 26,640	$ 685,707

			December 31, 2024					
Risk Rating	Number of Loans	Percentage of Portfolio	2024	2023	2022	2021	Prior	Total
1	—	—%	$ —	$ —	$ —	$ —	$ —	$ —
2	4	18%	41,570	53,070	—	15,252	—	109,892
3	12	58%	91,515	25,086	163,228	76,034	—	355,863
4	5	24%	—	—	—	114,556	29,605	144,161
5	—	—%	—	—	—	—	—	—
	21	100%	$ 133,085	$ 78,156	$ 163,228	$ 205,842	$ 29,605	$ 609,916

The table below presents the changes to the allowance for credit losses during the years ended December 31, 2024 and 2025:

	Loans Held for Investment, net	Unfunded Loan Commitments	Total
Balance at December 31, 2023	$ 4,376	$ 1,452	$ 5,828
Provision for (reversal of) credit losses	3,698	(618)	3,080
Balance at December 31, 2024	8,074	834	8,908
Provision for (reversal of) credit losses	725	(522)	203
Balance at December 31, 2025	$ 8,799	$ 312	$ 9,111

The increase in the allowance for credit losses during the year ended December 31, 2025 was primarily attributable to increased provisions for our office loans and a larger loan portfolio as of December 31, 2025, offset by increasing values for CRE and favorable CRE pricing forecasts used in our CECL model and loans nearing maturity. The increase in the allowance for credit losses during the year ended December 31, 2024 was primarily attributable to declining values for CRE and increased provisions for our office loans, as compared to the allowance for credit losses as of December 31, 2023.

We may enter into loan modifications that include among other changes, extensions of maturity dates, repurposing or required replenishment of reserves, increases or decreases in loan commitments and required pay downs of principal amounts outstanding. Loan modifications are evaluated to determine whether a modification results in a new loan or a continuation of an existing loan under ASC 310.

In April 2025, we amended the agreement governing our loan secured by an office property in Bellevue, WA. As part of this amendment, the borrower was required to contribute $1,625 to cash reserves, the coupon rate was reduced from SOFR + 3.85% to SOFR + 2.85% and the maturity date was extended by three years to April 7, 2028. As of December 31, 2025, this loan had an amortized cost of $20,245 and a risk rating of 4.

In May 2025, we amended the agreement governing our loan secured by an office property in Downers Grove, IL. As part of this amendment, the borrower repaid $3,000 of the outstanding principal balance and the maturity date was extended by one year to May 22, 2026. As of December 31, 2025, this loan had an amortized cost of $26,640 and a risk rating of 3.

There were no other modifications to our loan portfolio for borrowers experiencing financial difficulties during the year ended December 31, 2025.

We did not have any outstanding past due loans or nonaccrual loans as of December 31, 2025 or 2024. As of December 31, 2025 and February 13, 2026, our borrowers with outstanding loans had paid their debt service obligations owed and due to us.

Note 4. Real Estate Owned

In June 2023, we assumed legal title to an office property located in Yardley, PA through a deed in lieu of foreclosure. The table below presents the assets and liabilities of real estate owned in our consolidated balance sheets:

	December 31,	
	2025	2024
Land	$ 2,880	$ 2,880
Building and improvements	9,075	8,855
Total real estate owned	11,955	11,735
Less: accumulated depreciation	(969)	(548)
Real estate owned, net	10,986	11,187
Acquired real estate leases	4,040	4,352
Less: accumulated amortization	(1,268)	(986)
Acquired real estate leases, net	2,772	3,366
Prepaid expenses and other assets, net [1]	1,973	1,826
Total assets	$ 15,731	$ 16,379
Accounts payable, accrued liabilities and other liabilities	$ 515	$ 501
Total liabilities	$ 515	$ 501

(1) Includes $1,211 and $1,094 of straight line rent receivables as of December 31, 2025 and 2024, respectively.

Revenue from real estate owned represents rental income from operating leases with tenants and is recognized on a straight line basis over the lease term. We increased revenue from real estate owned to record revenue on a straight line basis by $117 and $447 for the years ended December 31, 2025 and 2024, respectively. Expenses from real estate owned represents costs related to the acquisition of the property, costs to operate the property and depreciation and amortization expense.

We recognized amortization expense related to acquired real estate leases of $594 and $771 for the years ended December 31, 2025 and 2024, respectively. Future amortization of acquired in place lease values is estimated to be $493 in 2026, $493 in 2027, $466 in 2028, $421 in 2029, $446 in 2030 and $453 thereafter. As of December 31, 2025 and 2024, the weighted average amortization period of acquired real estate leases was 6.1 and 6.9 years, respectively.

The following operating lease maturity analysis presents the future contractual lease payments to be received by us through 2035 as of December 31, 2025:

Year	Amount
2026	$ 2,285
2027	2,367
2028	2,357
2029	2,327
2030	2,084
Thereafter	3,845
Total	$ 15,265

Note 5. Secured Financing Agreements

As of December 31, 2025 and 2024, we had secured financing facilities governed by master repurchase agreements with Wells Fargo, National Association, or Wells Fargo, Citibank N.A., or Citibank, and UBS AG, or UBS; and a facility loan program with BMO Harris Bank N.A, or BMO. We refer to the Wells Fargo, Citibank and UBS facilities as our Master Repurchase Facilities and the BMO facility as our BMO Facility. Collectively, we refer to our Master Repurchase Facilities and the BMO Facility as our Secured Financing Facilities.

Pursuant to our Master Repurchase Facilities, we may sell to, and later repurchase from the respective lender, the purchased assets related to the applicable facility. The initial purchase price paid under our Master Repurchase Facilities is generally between 75% and 80% of the market value or the unpaid principal balance of such purchased asset. Our Master Repurchase Facilities each contain margin maintenance provisions that provide our lenders with the right, in certain circumstances related to a credit event, to redetermine the value of purchased assets. Where a decline in the value of a purchased asset results in a margin deficit, we may be required to eliminate such a deficit through a combination of purchased asset repurchases and cash transfers.

Pursuant to our BMO Facility, BMO advances amounts to fund new mortgage loan originations and/or fund future obligations under existing loans. Advances under the BMO Facility are secured by a security interest and collateral assignment of the underlying loan, are coterminous with the pledged mortgage loans, generally up to an 80% advance rate and are not subject to margin calls.

In connection with each of our Secured Financing Facilities, we entered into guarantees that require us to guarantee 25% of the aggregate purchase price of the asset and also contain financial covenants, which require us to maintain a minimum tangible net worth, a minimum liquidity and a minimum interest coverage ratio and to satisfy a total indebtedness to stockholders' equity ratio. Interest expense under our Secured Financing Facilities accrues at a rate of SOFR plus a premium.

In February 2026, we amended the Wells Fargo Master Repurchase Agreement and made certain changes to the agreement, including extending the stated maturity date to March 13, 2028 and increasing the maximum facility size by $125,000 to $250,000.

In February 2026, we amended our UBS Master Repurchase Agreement to extend the stated maturity date to February 18, 2028.

As of December 31, 2025, we were in compliance with the covenants and other terms of the agreements that govern our Secured Financing Facilities.

The table below summarizes our Secured Financing Facilities as of December 31, 2025 and 2024:

	Debt Obligation						Collateral
				Weighted Average			
	Maximum Facility Size	Principal Balance	Carrying Value	Coupon Rate [1]	Remaining Maturity (years) [2]	Maturity Date	Principal Balance
December 31, 2025:							
UBS Master Repurchase Facility [3]	$ 250,000	$ 194,948	$ 194,887	6.19%	0.1	2/18/2026	$ 278,594
Citibank Master Repurchase Facility	215,000	135,715	135,426	5.84%	0.7	9/27/2026	199,838
BMO Facility	150,000	64,632	64,442	5.81%	0.9	Various	88,684
Wells Fargo Master Repurchase Facility [4]	125,000	92,980	92,902	5.54%	0.2	3/11/2026	120,469
Total/weighted average	$ 740,000	$ 488,275	$ 487,657	5.92%	0.4		$ 687,585
December 31, 2024:							
UBS Master Repurchase Facility	$ 250,000	$ 181,989	$ 181,566	6.85%	0.7	2/18/2026	$ 267,084
Citibank Master Repurchase Facility	215,000	93,314	92,700	6.57%	1.5	9/27/2026	145,520
BMO Facility	150,000	103,855	103,622	6.39%	0.9	Various	145,234
Wells Fargo Master Repurchase Facility	125,000	40,464	39,908	6.31%	0.6	3/11/2026	52,973
Total/weighted average	$ 740,000	$ 419,622	$ 417,796	6.62%	0.9		$ 610,811

(1) The weighted average coupon rate is determined using SOFR plus a spread ranging from 1.50% to 2.95%, as applicable, for the respective borrowings under our Secured Financing Facilities as of the applicable date.
(2) The weighted average remaining maturity of our Master Repurchase Facilities is determined using the earlier of the underlying loan investment maturity date and the respective repurchase agreement maturity date. The weighted average remaining maturity of the BMO Facility is determined using the underlying loan investment maturity date.
(3) In February 2026, we extended the stated maturity date to February 18, 2028.
(4) In February 2026, we extended the stated maturity date to March 13, 2028 and increased the maximum facility size by $125,000 to $250,000.

As of December 31, 2025, our outstanding borrowings under our Secured Financing Facilities had the following remaining maturities:

Maturity Year	Principal Payments on Secured Financing Facilities
2026	$ 472,187
2027	16,088
2028 and thereafter	—
	$ 488,275

Based upon the performance and payment history of our commercial mortgage loans, along with our ability to obtain financing under repurchase agreements and success in extending certain of our existing Master Repurchase Agreements, we believe it is probable that we will extend our Master Repurchase Facilities prior to their maturities.

Note 6. Fair Value Measurements

The carrying values of cash and cash equivalents, accounts receivable and accounts payable approximate their fair values due to the short term nature of these financial instruments.

We estimate the fair values of our loans held for investment and outstanding principal balances under our Secured Financing Facilities by using Level III inputs, including discounted cash flow analyses and currently prevailing market terms as of the measurement date.

The table below provides information regarding our financial assets and liabilities not carried at fair value in our consolidated balance sheets:

	As of December 31,			
	2025		2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Loans held for investment	$ 676,908	$ 682,999	$ 601,842	$ 603,558
Financial liabilities				
Secured Financing Facilities	$ 487,657	$ 487,637	$ 417,796	$ 418,492

There were no transfers of financial assets or liabilities within the fair value hierarchy during the years ended December 31, 2025 or 2024.

Note 7. Shareholders' Equity

Rights Offering

In November 2025, we commenced a transferable rights offering, or the Rights Offering, pursuant to which we issued transferable rights to our shareholders of record as of November 10, 2025. The record date shareholders received one transferable right for each outstanding common share they owned on the record date, which entitled them to purchase one new common share for every two rights held. The Rights Offering was fully backstopped by Tremont. In December 2025, we completed the Rights Offering, in which 7,532,861 common shares were issued at $8.65 per share, generating net proceeds of $61,530, after offering costs. See Note 9 for further information regarding the Rights Offering.

Common Share Awards

We have common shares available for issuance under the terms of our Amended and Restated 2021 Equity Compensation Plan, or the 2021 Plan. During the years ended December 31, 2025 and 2024, we awarded to our officers and certain other employees of Tremont and RMR annual share awards of 150,158 and 91,118 of our common shares, respectively, valued at $1,653 and $1,236, in aggregate, respectively. In accordance with our Trustee compensation arrangements, during the year ended December 31, 2025, we awarded each of our Trustees 5,977 of our common shares as part of their annual compensation and awarded an additional 4,709 of our common shares to one of our Trustees in connection with the election to our Board of Trustees. The aggregate value of our common shares awarded to our Trustees during the year ended December 31, 2025 was $550. During the year ended 2024, we awarded each of our then Trustees 4,735 of our common shares, valued at $360, as part of their annual compensation. The values of the share awards are based upon the closing price of our common shares on The Nasdaq Stock Market LLC, or Nasdaq, on the dates of awards. The common shares that we award to our Trustees as trustee compensation vest immediately. The common shares we award to our officers and certain other employees of Tremont and RMR vest in five equal annual installments beginning on the date of award. We recognize any share forfeitures as they occur. We include the value of awarded shares in general and administrative expenses ratably over the vesting period.

A summary of shares granted, forfeited, vested and unvested under the terms of the 2021 Plan for the years ended December 31, 2025 and 2024 is as follows:

	2025		2024	
	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value
Unvested shares, beginning of year	147,062	$ 12.07	136,421	$ 10.57
Shares granted	196,706	$ 11.19	119,528	$ 13.35
Shares forfeited	(720)	$ 11.63	—	$ —
Shares vested	(145,336)	$ 11.60	(108,887)	$ 11.58
Unvested shares, end of year	197,712	$ 11.56	147,062	$ 12.07

The 197,712 unvested shares as of December 31, 2025 are scheduled to vest as follows: 66,464 shares in 2026, 56,688 shares in 2027, 44,956 shares in 2028 and 29,604 shares in 2029.

As of December 31, 2025, the estimated future compensation expense for the unvested shares was $2,052. The weighted average period over which the compensation expense will be recorded is approximately 23 months. During the years ended December 31, 2025 and 2024, we recorded $1,736 and $1,359, respectively, of compensation expense related to the 2021 Plan. In May 2025, 550,000 additional shares were authorized to be issued under the 2021 Plan. At December 31, 2025, 415,840 of our common shares remained available for issuance under the 2021 Plan.

Common Share Purchases

During the years ended December 31, 2025 and 2024, we purchased 34,729 and 28,165 of our common shares, respectively, from certain of our current and former officers and current and former officers and employees of Tremont and/or RMR in satisfaction of tax withholding and payment obligations in connection with the vesting of awards of our common shares, valued at the closing price of our common shares on Nasdaq on the applicable purchase date. The aggregate value of common shares purchased during the years ended December 31, 2025 and 2024 was $383 and $377, respectively.

Distributions

During the years ended December 31, 2025 and 2024, we declared and paid regular quarterly distributions to common shareholders, using cash on hand, as follows:

			Characterization of Distributions		
Year	Annual Per Share Distribution	Total Distribution	Return of Capital	Ordinary Income	Qualified Dividend
2025	$ 1.26	$ 18,835	12.75%	87.25%	—%
2024	$ 1.40	$ 20,772	—%	100.00%	—%

On January 15, 2026, we declared a quarterly distribution of $0.28 per common share, or $6,327, to shareholders of record on January 26, 2026, and we expect to pay this distribution on February 19, 2026 using cash on hand.

Note 8. Management Agreement with Tremont

We have no employees. The personnel and various services we require to operate our business are provided to us, pursuant to a management agreement with Tremont, which provides for the day to day management of our operations by Tremont, subject to the oversight and direction of our Board of Trustees.

Our management agreement with Tremont provides for an annual base management fee and an incentive fee, payable in cash, among other terms:

- *Base Management Fee*. We are required to pay Tremont the annual base management fee equal to 1.5% of our "Equity", payable in cash quarterly (0.375% per quarter) in arrears. Under our management agreement, "Equity" means (a) the sum of (i) our net asset value as of January 5, 2021, plus (ii) the net proceeds received by us from any future sale or issuance of shares of beneficial interest, plus (iii) our cumulative "Core Earnings," as defined below, for the period commencing on January 5, 2021 to the end of the applicable most recent completed calendar quarter, less (b) (i) any distributions previously paid to holders of our common shares, (ii) any incentive fee previously paid to Tremont and (iii) any amount that we may have paid to repurchase our common shares. All items in the foregoing sentence (other than clause (a)(iii)) are calculated on a daily weighted average basis. As a result of our merger with Tremont Mortgage Trust, or TRMT, in 2021, or the Merger, as of September 30, 2021, the net book value of TRMT was included as "Equity" under the management agreement.
- *Incentive Fee.* We are required to pay Tremont quarterly an incentive fee in arrears in cash equal to the difference between:
    - The product of (i) 20% and (ii) the difference between (A) our Core Earnings for the most recent 12 month period (or such lesser number of completed calendar quarters, if applicable), including the calendar quarter (or part thereof) for which the calculation of the incentive fee is being made, and (B) the product of (1) our Equity in the most recent 12 month period (or such lesser number of completed calendar quarters, if applicable), including the calendar quarter (or part thereof) for which the calculation of the incentive fee is being made, and (2) 7% per year, and

- The sum of any incentive fees paid to Tremont with respect to the first three calendar quarters of the most recent 12 month period (or such lesser number of completed calendar quarters, if applicable).

No incentive fee shall be payable with respect to any calendar quarter unless Core Earnings for the 12 most recently completed calendar quarters (or such lesser number of completed calendar quarters, if applicable) in the aggregate is greater than zero. Pursuant to the terms of our management agreement, any management incentive fees are subject to Tremont earning those fees in accordance with the management agreement.

For purposes of the calculation of base management fees and incentive fees payable to Tremont under our management agreement, "Core Earnings" is defined as net income (or loss) attributable to our common shareholders, computed in accordance with GAAP, including realized losses not otherwise included in GAAP net income (loss), and excluding: (a) the incentive fees earned by Tremont, (b) depreciation and amortization of real estate owned and related intangible assets (if any); (c) non-cash equity compensation expense (if any); (d) unrealized gains, losses and other similar non-cash items that are included in net income for the period of the calculation (regardless of whether such items are included in or deducted from net income or in other comprehensive income or loss under GAAP); and (e) one-time events pursuant to changes in GAAP and certain material non-cash income or expense items, in each case after discussion between Tremont and our Independent Trustees and approved by a majority of our Independent Trustees. Core Earnings are reduced for realized losses on loan investments when amounts are deemed uncollectable. Pursuant to the terms of our management agreement, the exclusion of depreciation and amortization from the calculation of Core Earnings shall only apply with respect to real property we own.

Our shares of beneficial interest that are entitled to a specific periodic distribution or have other debt characteristics will not be included in "Equity" for the purpose of calculating incentive fees payable to Tremont. Instead, the aggregate distribution amount that accrues to such shares during the calendar quarter of such calculation will be subtracted from Core Earnings for purposes of calculating incentive fees, unless such distribution is otherwise already excluded from Core Earnings. Equity and Core Earnings as defined in our management agreement are non-GAAP financial measures and may be different from our shareholders' equity and our net income calculated according to GAAP.

Term. The term of our management agreement ended on December 31, 2025, and the agreement automatically renewed for a successive one year term on January 1, 2026, and will renew for successive one year terms each January 1 thereafter, unless it is sooner terminated as detailed below.

Termination Rights. We have the right to terminate our management agreement with Tremont upon written notice delivered no later than 180 days prior to a renewal date by the affirmative vote of at least two-thirds (2/3) of our Independent Trustees based upon a determination that: (a) Tremont's performance is unsatisfactory and materially detrimental to us or (b) the base management fee and incentive fee, taken as a whole, payable to Tremont under our management agreement are not fair to us (provided that, in the instance of (b), Tremont will be afforded the opportunity to renegotiate the base management fee and incentive fee prior to termination). Our management agreement may be terminated by Tremont before each annual renewal upon written notice delivered to our Board of Trustees no later than 180 days prior to an annual renewal date. We may also terminate our management agreement at any time without the payment of any termination fee, with at least 30 days' prior written notice from us upon the occurrence of a "cause event," as defined in the management agreement. Tremont may terminate our management agreement in certain other circumstances, including if we become required to register as an investment company under the 1940 Act for our uncured "material breach," as defined in our management agreement, we materially reduce Tremont's duties and responsibilities or scope of its authority under our management agreement or we cease or take steps to cease to conduct the business of originating or investing in CRE loans.

Termination Fee. In the event our management agreement is terminated by us without a cause event or by Tremont for a material breach, we will be required to pay Tremont a termination fee equal to: (a) three times the sum of (i) the average annual base management fee and (ii) the average annual incentive fee, in each case paid or payable to Tremont during the 24 month period immediately preceding the most recently completed calendar quarter prior to the date of termination plus (b) $1,600. No termination fee will be payable if our management agreement is terminated by us for a cause event or by Tremont without our material breach. In addition, as described above, in connection with the Merger and the termination of TRMT's management agreement with Tremont, the initial organizational costs related to TRMT's formation and the costs of its initial public offering and the concurrent private placement that Tremont had paid pursuant to that management agreement of $6,680 will be included in the "Termination Fee" under and as defined in our management agreement with Tremont.

Expense Reimbursement. Tremont, and not us, is responsible for the costs of its employees who provide services to us, including the cost of Tremont's personnel who originate our loans, unless any such payment or reimbursement is specifically approved by a majority of our Independent Trustees, is a shared services cost or relates to awards made under any equity compensation plan adopted by us. Generally, it is the practice of Tremont and RMR to treat individuals who spend 50% or more of their business time providing services to Tremont as employees of Tremont. We are required to pay or to reimburse Tremont and its affiliates for all other costs and expenses of our operations, including but not limited to, the cost of rent, utilities, office furniture, equipment, machinery and other overhead type expenses, the costs of legal, accounting, auditing, tax planning and tax return preparation, consulting services, diligence costs related to our investments, investor relations expenses and other professional services, and other costs and expenses not specifically required under our management agreement to be borne by Tremont. Some of these overhead, professional and other services are provided by RMR pursuant to a shared services agreement between Tremont and RMR. We reimburse Tremont for shared services costs Tremont pays to RMR and its affiliates, and these reimbursements include an allocation of the cost of applicable personnel employed by RMR and our share of RMR's costs of providing our internal audit function, with such shared services costs being subject to approval by a majority of our Independent Trustees at least annually.

Business Opportunities. Under our management agreement, we and Tremont have agreed that for so long as Tremont is managing us, neither Tremont nor any of its affiliates, including RMR, will sponsor or manage any other publicly traded REIT that invests primarily in first mortgage loans secured by middle market transitional CRE located in the United States, unless such activity is approved by our Independent Trustees. However, our management agreement does not prohibit Tremont or its affiliates (including RMR) or their respective directors, trustees, officers, employees or agents from competing or providing services to other persons, funds and investment vehicles, private REITs or other entities that may compete with us, including, among other things, with respect to the origination, acquisition, making, arranging or managing of first mortgage loans secured by middle market transitional CRE or other investments like those we intend to make.

Because Tremont and RMR will not be prohibited from competing with us in all circumstances, and RMR provides management services to other companies, conflicts of interest exist with regard to the allocation of investment opportunities and for the time and attention of Tremont, RMR and their personnel. Our management agreement acknowledges these conflicts of interest and, in that agreement, we agree that Tremont, RMR and their subsidiaries may resolve such conflicts in good faith in their fair and reasonable discretion. In the case of such a conflict, Tremont, RMR and their subsidiaries will endeavor to allocate such investment opportunities in a fair and reasonable manner, taking into account such factors as they deem appropriate.

Our management agreement also provides that if Tremont, its affiliates (including RMR) or any of their respective directors, trustees, officers, employees or agents acquires knowledge of a potential business opportunity, we renounce any potential interest or expectation in, or right to be offered or to participate in, such business opportunity to the maximum extent permitted by Maryland law.

Liability and Indemnification. Tremont maintains a contractual as opposed to a fiduciary relationship with us. Pursuant to our management agreement, Tremont does not assume any responsibility other than to render the services called for thereunder in good faith and is not responsible for any action of our Board of Trustees in following or declining to follow its advice or recommendations. Under the terms of our management agreement, Tremont and its affiliates, including RMR, and their respective directors, trustees, officers, shareholders, owners, members, managers, employees and personnel will not be liable to us or any of our Trustees, shareholders or subsidiaries, or any of the trustees, directors or shareholders of any of our subsidiaries, for any acts or omissions related to the provision of services to us under our management agreement, except by reason of acts or omissions that have been determined in a final, non-appealable adjudication to have constituted bad faith, fraud, intentional misconduct, gross negligence or reckless disregard of the duties of Tremont under our management agreement. In addition, under the terms of our management agreement, we agree to indemnify, hold harmless and advance expenses to Tremont and its affiliates, including RMR, and their respective directors, trustees, officers, shareholders, owners, members, managers, employees and personnel from and against any and all expenses, losses, damages, liabilities, demands, charges and claims of any nature whatsoever, including all reasonable attorneys', accountants' and experts' fees and expenses, arising from any acts or omissions related to the provision of services to us or the performance of any matters pursuant to an instruction by our Board of Trustees, except to the extent there is a final, non-appealable adjudication that such acts or omissions constituted bad faith, fraud, intentional misconduct, gross negligence or reckless disregard of the duties of Tremont under our management agreement. Such persons will also not be liable for trade errors that may result from ordinary negligence, including errors in the investment decision making or trade process.

Note 9. Related Person Transactions

We have relationships and historical and continuing transactions with Tremont, RMR, The RMR Group Inc., or RMR Inc., and others related to them, including other companies to which RMR or its subsidiaries provide management services and some of which have trustees, directors or officers who are also our Trustees or officers. Tremont is a subsidiary of RMR, which is a majority owned subsidiary of RMR Inc., and RMR Inc. is the managing member of RMR. RMR provides certain shared services to Tremont that are applicable to us, and we reimburse Tremont or pay RMR for the amounts Tremont or RMR pays for those services. One of our Managing Trustees and Chair of our Board of Trustees, Adam Portnoy, is the sole trustee, an officer and the controlling shareholder of ABP Trust, which is the controlling shareholder of RMR Inc., and he is also a director of Tremont, the chair of the board of directors, a managing director and the president and chief executive officer of RMR Inc., and an officer and employee of RMR. Matthew P. Jordan, our other Managing Trustee, is a director and the president and chief executive officer of Tremont. Mr. Jordan is also a managing director and an officer of RMR Inc. and an officer and employee of RMR, and our other officers are officers and employees of Tremont and/or RMR.

Certain of our Independent Trustees also serve as independent trustees of other public companies to which RMR or its subsidiaries provide management services. Adam Portnoy serves as the chair of the board and as a managing trustee of those companies and other officers of RMR, including Mr. Jordan and certain of our other officers and officers of Tremont, serve as managing trustees or officers of certain of these companies.

Our Manager, Tremont Realty Capital LLC. Tremont provides management services to us pursuant to our management agreement. See Note 8 for further information regarding our management agreement.

RMR Inc. and RMR. RMR provides certain shared services to Tremont which are applicable to us, and we reimburse Tremont or pay RMR for the amounts Tremont or RMR pays for those services. See Note 8 for further information regarding this shared services arrangement.

Property Management Agreement with RMR. We entered into a property management agreement with RMR in July 2023 with respect to real estate owned in Yardley, PA. Pursuant to this agreement, RMR provides property management services and we pay management fees equal to 3.0% of gross collected rents. Also under the terms of this property management agreement, we pay RMR additional fees for construction supervision services equal to 5.0% of the cost of such construction. Either we or RMR may terminate this agreement upon 30 days' prior notice. No termination fee would be payable as a result of terminating the agreement. We recognized property management and construction supervision fees of $85 and $71 during the years ended December 31, 2025 and 2024, respectively, related to real estate owned.

Purchase of Mortgage Loans. On November 10, 2025 we purchased from RMR two floating rate first mortgage loans that were originated in 2024 and secured by hotel and industrial properties in Revere, MA and Wayne, PA, respectively, for an aggregate purchase price of $61,733, which represented the outstanding principal balance of the loans at the time of acquisition.

Rights Offering. On October 30, 2025, we announced our intent to commence the Rights Offering to issue 7,532,861 new common shares and to raise gross proceeds of approximately $65,200. We and Tremont entered into a backstop agreement, pursuant to which Tremont agreed to exercise its pro rata primary subscription right in full and, upon the completion of the Rights Offering, to purchase 100% of all remaining common shares not otherwise subscribed for pursuant to all other rights holders' primary subscription rights and over-subscription privileges, subject to the terms and conditions of the backstop agreement, or the Backstop Commitment. Tremont did not receive any fees or other consideration in connection with the Backstop Commitment. Through the exercise of their respective primary subscription rights, Tremont purchased 854,029 common shares, Adam Portnoy purchased 109,669 common shares and ABP Trust purchased 58,266 common shares in the Rights Offering. The Rights Offering resulted in subscriptions for approximately 5,517,113 of our common shares, or approximately 73.2% of the 7,532,861 common shares. Accordingly, pursuant to the Backstop Commitment, Tremont purchased 2,015,748 common shares that remained unsubscribed upon expiration of the Rights Offering. As of December 31, 2025, Tremont owned 4,577,835 of our common shares, or 20.3% of our outstanding common shares, and Mr. Portnoy beneficially owned (including through Tremont and ABP Trust) 5,085,332 of our common shares, or 22.5% of our outstanding common shares.

Note 10. Income Taxes

We have elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended. Accordingly, we generally are not, and will not be, subject to U.S. federal income tax, provided that we meet certain distribution and other requirements. We are subject to certain state and local taxes, certain of which amounts are or will be reported as income taxes in our consolidated statements of operations.

Note 11. Weighted Average Common Shares

We calculate net income per common share - basic using the two class method. We calculate net income per common share - diluted using the more dilutive of the two class or treasury stock method. Unvested share awards are considered participating securities and the related impact on earnings are considered when calculating net income per common share - basic and net income per common share - diluted.

The calculation of net income per common share - basic and diluted is as follows (amounts in thousands, except per share data):

	Year Ended December 31,	
	2025	2024
Numerators:		
Net income	$ 15,434	$ 17,820
Income attributable to unvested share awards	(193)	(184)
Net income used in calculating net income per common share - basic and diluted	$ 15,241	$ 17,636
Denominators:		
Weighted average common shares outstanding - basic and diluted	15,240	14,712
Net income per common share - basic and diluted	$ 1.00	$ 1.20

Note 12. Commitments and Contingencies

As of December 31, 2025, we had unfunded loan commitments of $36,873 related to our loans held for investment that are not reflected in our consolidated balance sheets. These unfunded loan commitments had a weighted average initial maturity of 1.3 years as of December 31, 2025. See Note 3 for further information related to our loans held for investment.

Note 13. Segment Reporting

We manage our business on a consolidated basis and therefore have one reportable segment: originating and investing in floating rate first mortgage loans secured by CRE properties. The Chief Operating Decision Maker, or CODM, is our President and Chief Investment Officer. The CODM assesses performance, allocates resources and makes strategic decisions based on net income as shown in our Consolidated Statements of Operations. Our significant expense categories are included in our Consolidated Statements of Operations. The accounting policies of our reportable segment are the same as the ones described in Note 2. The measure of segment assets is reported as total assets in our Consolidated Balance Sheets.

SEVEN HILLS REALTY TRUST
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
DECEMBER 31, 2025
(dollars in thousands)

#	Property Type/Location	Interest Rate	Maturity Date	Maximum Maturity Date [1]	Payment Terms [2]	Prior Liens [3]	Principal	Carrying Value
	First Mortgage Loans [4]							
1	Multifamily, Olmsted Falls, OH [5]	S + 4.00%	01/28/2026	01/28/2026	I/O	—	$ 54,575	$ 54,982
2	Industrial, Passaic, NJ	S + 3.85%	09/08/2026	09/08/2027	I/O	—	45,260	45,092
3	Office, Dallas, TX	S + 3.25%	08/25/2026	08/25/2026	I/O	—	44,217	44,217
4	Hotel, Boston, MA	S + 3.95%	12/16/2027	12/16/2029	I/O	—	39,800	39,475
5	Multifamily, Oxford, MS	S + 2.95%	11/26/2027	11/26/2029	I/O	—	42,000	41,706
6	Multifamily, College Park, MD	S + 2.95%	11/12/2028	11/12/2030	I/O	—	27,911	27,531
7	Hotel, Revere, MA	S + 3.95%	07/01/2026	07/01/2029	I/O	—	37,000	37,037
8	Mixed Use, New York, NY	S + 3.20%	09/05/2027	09/05/2030	I/O	—	34,500	34,292
9	Multifamily, San Marcos, TX	S + 3.25%	01/14/2028	01/14/2030	I/O	—	28,228	27,992
10	Hotel, Anaheim, CA	S + 4.00%	11/29/2026	11/29/2028	I/O	—	29,000	28,988
11	Industrial, San Antonio, TX	S + 3.40%	06/13/2028	06/13/2030	I/O	—	22,800	22,549
12	Office, Plano, TX	S + 3.75%	07/01/2026	07/01/2026	I/O	—	26,569	26,636
13	Office, Downers Grove, IL	S + 5.00%	05/22/2026	05/22/2026	I/O	—	26,500	26,640
14	Industrial, Wayne, PA	S + 4.25%	07/18/2027	07/18/2029	I/O	—	24,733	24,733
15	Industrial, Fayetteville, GA	S + 3.35%	10/06/2026	10/06/2028	I/O	—	25,250	25,173
16	Office, Carlsbad, CA	S + 3.25%	10/27/2026	10/27/2026	I/O	—	24,417	24,415
17	Industrial, Los Angeles, CA	S + 3.40%	06/28/2027	06/28/2029	I/O	—	22,954	22,817
18	Office, Downers Grove, IL	S + 4.25%	12/09/2026	12/09/2026	I/O	—	23,530	23,593
19	Industrial, Fontana, CA	S + 3.75%	11/18/2026	11/18/2026	I/O	—	20,470	20,418
20	Office, Bellevue, WA	S + 2.85%	04/07/2028	04/07/2029	I/O	—	20,245	20,245
21	Multifamily, Waco, TX	S + 3.35%	03/06/2028	03/06/2030	I/O	—	18,500	18,346
22	Multifamily, Boise, ID	S + 3.50%	06/26/2028	06/26/2030	I/O	—	18,000	17,857
23	Multifamily, Newport News, VA	S + 3.15%	04/25/2027	04/25/2029	I/O	—	15,126	15,080
24	Hotel, Lake Mary, FL	S + 4.00%	09/06/2027	09/06/2029	I/O	—	16,000	15,893
	Total						$ 687,585	$ 685,707
	Less: allowance for credit losses [6]							(8,799)
	Total carrying value including allowance for credit losses							$ 676,908

(1) Maximum maturity assumes all extension option have been exercised, which options are subject to the borrower meeting certain conditions.
(2) I/O = interest only until final maturity.
(3) Represents only third party prior liens.
(4) As of December 31, 2025, none of our borrowers were delinquent in payment.
(5) In January 2026, the maturity date of this loan was extended to March 31, 2026.
(6) For further information regarding our allowance for credit losses, see Note 3 to our Consolidated Financial Statements.

SEVEN HILLS REALTY TRUST
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE (CONTINUED)
DECEMBER 31, 2025
(dollars in thousands)

Reconciliation of Mortgage Loans on Real Estate:	**Carrying Value**
Balance as of January 1, 2024	$ 622,086
Additions during the year:	
Originations	133,817
Additional funding	12,492
Purchase discount accretion	2,347
Net amortization of deferred fees	2,697
Deductions during the year:	
Repayments	(165,390)
Deferred fees	(2,509)
Increase in allowance for credit losses	(3,698)
Balance as of December 31, 2024	601,842
Additions during the year:	
Originations and acquisitions	211,198
Additional funding	6,578
Deferred interest capitalized to loans held for investment	1,008
Purchase discount accretion	37
Net amortization of deferred fees	2,052
Deductions during the year:	
Repayments	(142,010)
Deferred fees	(3,072)
Increase in allowance for credit losses	(725)
Balance as of December 31, 2025	$ 676,908

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SIGNATURES

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

SEVEN HILLS REALTY TRUST

By: /s/ Thomas J. Lorenzini
Thomas J. Lorenzini
President and Chief Investment Officer
Dated: February 18, 2026

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

Signature	Title	Date
/s/ Thomas J. Lorenzini Thomas J. Lorenzini	President and Chief Investment Officer	February 18, 2026
/s/ Matthew C. Brown Matthew C. Brown	Chief Financial Officer and Treasurer (principal financial and accounting officer)	February 18, 2026
/s/ Ann M. Danner Ann M. Danner	Independent Trustee	February 18, 2026
/s/ Barbara D. Gilmore Barbara D. Gilmore	Independent Trustee	February 18, 2026
/s/ Matthew P. Jordan Matthew P. Jordan	Managing Trustee	February 18, 2026
/s/ William A. Lamkin William A. Lamkin	Independent Trustee	February 18, 2026
/s/ Joseph L. Morea Joseph L. Morea	Independent Trustee	February 18, 2026
/s/ Adam D. Portnoy Adam D. Portnoy	Managing Trustee	February 18, 2026
/s/ Jeffrey P. Somers Jeffrey P. Somers	Independent Trustee	February 18, 2026

Exhibit 8.1

Sullivan & Worcester LLP
One Post Office Square
Boston, MA 02109

617 338 2800
sullivanlaw.com

February 18, 2026

Seven Hills Realty Trust
Two Newton Place
255 Washington Street, Suite 300
Newton, Massachusetts 02458

Ladies and Gentlemen:

The following opinion is furnished to Seven Hills Realty Trust, a Maryland real estate investment trust (the "Company"), to be filed with the Securities and Exchange Commission (the "SEC") as Exhibit 8.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 2025 (the "Form 10-K") under the Securities Exchange Act of 1934, as amended.

We have acted as special tax counsel for the Company in connection with the preparation of the Form 10-K. We have reviewed originals or copies of such corporate records, such certificates and statements of officers of the Company and of public officials, and such other documents as we have considered relevant and necessary in order to furnish the opinion hereinafter set forth. In doing so, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as copies, and the authenticity of the originals of such documents. Specifically, and without limiting the generality of the foregoing, we have reviewed: (i) the Company's declaration of trust and its second amended and restated bylaws; and (ii) the Form 10-K. For purposes of the opinion set forth below, we have assumed that any documents (other than documents which have been executed, delivered, adopted, or filed, as applicable, by the Company prior to the date hereof) that have been provided to us in draft form will be executed, delivered, adopted, and filed, as applicable, without material modification.

The opinion set forth below is based upon the Internal Revenue Code of 1986, as amended, the Treasury regulations issued thereunder, published administrative interpretations thereof, and judicial decisions with respect thereto, all as of the date hereof (collectively, "Tax Laws"), and upon the Employee Retirement Income Security Act of 1974, as amended, the Department of Labor regulations issued thereunder, published administrative interpretations thereof, and judicial decisions with respect thereto, all as of the date hereof (collectively, "ERISA Laws"). No assurance can be given that Tax Laws or ERISA Laws will not change. In the discussions with respect to Tax Laws matters and ERISA Laws matters in the sections of Item 1 of the Form 10-K captioned "Material United States Federal Income Tax Considerations" and "ERISA Plans, Keogh Plans and Individual Retirement Accounts", certain assumptions have been made therein and certain conditions and qualifications have been expressed therein, all of which assumptions, conditions, and qualifications are incorporated herein by reference. With respect to all questions of fact on which our opinion is based, we have assumed the initial and continuing truth, accuracy, and completeness of: (i) the information set forth in the Form 10-K and in the exhibits thereto; and (ii) representations made to us by officers of the Company or contained in the Form 10-K and in the exhibits thereto, in each such instance without regard to qualifications such as "to the best knowledge of" or "in the belief of". We have not independently verified such information.

We have relied upon, but not independently verified, the foregoing assumptions. If any of the foregoing assumptions are inaccurate or incomplete for any reason, or if the transactions described in the Form 10-K or in the exhibits thereto have been or are consummated in a manner that is inconsistent with the manner contemplated therein, our opinion as expressed below may be adversely affected and may not be relied upon.

Based upon and subject to the foregoing: (i) we are of the opinion that the discussions with respect to Tax Laws matters and ERISA Laws matters in the sections of Item 1 of the Form 10-K captioned "Material United

States Federal Income Tax Considerations" and "ERISA Plans, Keogh Plans and Individual Retirement Accounts" in all material respects are, subject to the limitations set forth therein, the material Tax Laws considerations and the material ERISA Laws considerations relevant to holders of the securities of the Company discussed therein (the "Securities"); and (ii) we hereby confirm that the opinions of counsel referred to in said sections represent our opinions on the subject matters thereof.

Our opinion above is limited to the matters specifically covered hereby, and we have not been asked to address, nor have we addressed, any other matters or any other transactions. Further, we disclaim any undertaking to advise you of any subsequent changes of the matters stated, represented, or assumed herein or any subsequent changes in Tax Laws or ERISA Laws.

This opinion is rendered to you in connection with the filing of the Form 10-K. Purchasers and holders of the Securities are urged to consult their own tax advisors or counsel, particularly with respect to their particular tax consequences of acquiring, holding, and disposing of the Securities, which may vary for investors in different tax situations. We hereby consent to the filing of a copy of this opinion as an exhibit to the Form 10-K, which is incorporated by reference in the Company's Registration Statement on Form S-3, File No. 333-290401 (the "Registration Statement"), under the Securities Act of 1933, as amended (the "Securities Act"), and to the references to our firm in the Form 10-K and the Registration Statement. In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act or under the rules and regulations of the SEC promulgated thereunder.

Very truly yours,

/s/ Sullivan & Worcester LLP

SULLIVAN & WORCESTER LLP

EXHIBIT 10.9

AMENDMENT NO. 3
TO MASTER REPURCHASE AGREEMENT

Amendment No. 3 to Master Repurchase Agreement, dated as of February 9, 2026 (this "Amendment"), among UBS AG NEW YORK BRANCH (the "Buyer"), RMTG LENDER LLC (the "Seller") and SEVEN HILLS REALTY TRUST (the "Guarantor").

RECITALS

The Buyer and the Seller are parties to that certain Master Repurchase Agreement, dated as of February 18, 2021 (as amended, restated, supplemented or otherwise modified from time to time prior to the date hereof, the "Existing Repurchase Agreement"; and as further amended by this Amendment, the "Repurchase Agreement"). The Guarantor is party to that certain Limited Guaranty, dated as of February 18, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "Guaranty"), made by Guarantor in favor of Buyer. Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Existing Repurchase Agreement and Guaranty, as applicable.

The Buyer, the Seller and the Guarantor have agreed, subject to the terms and conditions of this Amendment, that the Existing Repurchase Agreement be amended to reflect certain agreed upon revisions to the terms thereof. As a condition precedent to amending the Existing Repurchase Agreement, the Buyer has required the Guarantor to ratify and affirm the Guaranty on the date hereof.

Accordingly, the Buyer, the Seller and the Guarantor hereby agree, in consideration of the mutual promises and mutual obligations set forth herein, that the Existing Repurchase Agreement is hereby amended as follows:

SECTION 1. Definitions. Section 2 of the Existing Repurchase Agreement is hereby amended by:

1.1 adding the following new definitions in their proper alphabetical order:

1.2 "Extension Fee" shall have the meaning set forth in the Pricing Letter.

1.3 "Funding Fee" shall have the meaning set forth in the Pricing Letter.

1.4 deleting the definition of "Buyer" in its entirety and replacing it with the following:

"Buyer" shall mean UBS AG New York Branch, its permitted successors in interest and assigns pursuant to Section 18 and, with respect to Section 7, its participants.

1.5 deleting the definition of "Upfront Fee" and any and all references thereto in their entirety.

SECTION 2. Income Payment Waterfall. Section 5(c)(iii) of the Existing Repurchase Agreement is hereby amended by deleting such section in its entirety and replacing it with the following:

SECTION 3. (iii) third, to Buyer in payment of any accrued and unpaid fees and expenses, including without limitation, any Facility Exit Fee, Funding Fee and Extension Fee then due and payable, to Buyer's account set forth in Section 9(a) hereof;

SECTION 4. Fees. Section 9(c) of the Existing Repurchase Agreement is hereby amended by deleting such section in its entirety and replacing it with the following:

SECTION 5. (c) Fees. Seller shall pay in immediately available funds to Buyer all fees, including without limitation, the Extension Fee, Funding Fee or Facility Exit Fee, as and when required hereunder. All such payments shall be made in Dollars, in immediately available funds, without deduction, set-off or counterclaim, to Buyer at such account designated by Buyer. Without limiting the generality of the foregoing or any other provision of this Agreement, Buyer may withdraw and retain from the UBS Account any Extension Fee, Funding Fee or Facility Exit Fee due and owing to Buyer.

SECTION 6. Confidentiality. Section 31 of the Existing Repurchase Agreement is hereby amended by deleting the second paragraph thereof in its entirety and replacing it with the following:

SECTION 7. Notwithstanding the foregoing or anything to the contrary contained herein or in any other Program Document, the parties hereto may disclose to any and all Persons, without limitation of any kind, the federal, state and local tax treatment and tax structure of the Transactions, any fact relevant to understanding the federal, state and local tax treatment of the Transactions, and all materials of any kind (including opinions or other tax analyses) relating to such federal, state and local tax treatment and that may be relevant to understanding such tax treatment and tax structure; provided that no Seller Party or Affiliate thereof may disclose the name of or identifying information with respect to Buyer, its Affiliates or any other Indemnified Party, or any pricing terms (including, without limitation, the Pricing Rate, Extension Fee, Funding Fee, Facility Exit Fee and Purchase Price) or other nonpublic business or financial information (including any sublimits and financial covenants) that is unrelated to the federal, state and local tax treatment of the Transactions and is not relevant to understanding the federal, state and local tax treatment of the Transactions, without the prior written consent of Buyer. The provisions set forth in this Section 31 shall survive the termination of this Agreement.

SECTION 8. Notice Information. The notice information in the Existing Repurchase Agreement is hereby amended by:

8.1 deleting Buyer's notice information therefrom in its entirety and replacing it with the following:

UBS AG New York Branch
11 Madison Avenue, 8th Floor
New York, New York 10010
Attention: Michael Zoccoli
Telephone No: 212-713-1439
E-mail: michael.zoccoli@ubs.com

With a copy to:

Chad Eisenberger
Executive Director & Counsel
UBS Business Solutions LLC
11 Madison Avenue
New York, NY 10010
Phone: (212) 821-4885
Email: Chad.Eisenberger@ubs.com

8.2 deleting Seller's and Guarantor's notice information therefrom in its entirety and replacing it with the following:

c/o The RMR Group
Two Newton Place
255 Washington Street
Newton, Massachusetts 02458
Attention: Matthew Brown, EVP, CFO and Treasurer
Email: mbrown@rmrgroup.com

with copies to:

c/o The RMR Group
Two Newton Place
255 Washington Street
Newton, Massachusetts 02458
Attention: Lindsey Getz, EVP and General Counsel
Email: lindsey.getz@rmrgroup.com

and to:

Troutman Pepper Locke LLP
875 Third Avenue
New York, New York 10022
Attention: Daniel J. Valenti, Esq.
Email: daniel.valenti@troutman.com

SECTION 9. Conditions Precedent. This Amendment shall become effective as of the date hereof (the "Amendment Effective Date"), subject to the satisfaction of the following conditions precedent:

9.1 Delivered Documents. On the Amendment Effective Date, the Buyer shall have received the following documents, each of which shall be satisfactory to the Buyer in form and substance:

(i) this Amendment, executed and delivered by duly authorized officers of the Buyer, Seller and Guarantor; and

(ii) such other documents as the Buyer or counsel to the Buyer may reasonably request.

SECTION 10. Ratification of Existing Repurchase Agreement. As amended by this Amendment, the Existing Repurchase Agreement is in all respects ratified and confirmed and the Existing Repurchase Agreement as so modified by this Amendment shall be read, taken, and construed as one and the same instrument.

SECTION 11. Representations and Warranties. Each of the Seller and Guarantor hereby represents and warrants to the Buyer that such Seller Party is in compliance with all the terms and provisions set forth in the Repurchase Agreement or Guaranty, as applicable, on its part to be observed or performed, and that no Default or Event of Default has occurred or is continuing, and hereby confirms and reaffirms the representations and warranties contained in Section 11 of the Repurchase Agreement and Section 9 of the Guaranty, as applicable. Each of Seller and Guarantor hereby represents and warrants that this Amendment has been duly and validly executed and delivered by it, and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

SECTION 12. Limited Effect. Except as expressly amended and modified by this Amendment, the Existing Repurchase Agreement shall continue to be, and shall remain, in full force and effect in accordance with their terms.

SECTION 13. Severability. Each provision and agreement herein shall be treated as separate and independent from any other provision or agreement herein and shall be enforceable notwithstanding the unenforceability of any such other provision or agreement.

SECTION 14. Counterparts. This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Amendment by signing any such counterpart. The parties agree that this Amendment, any documents to be delivered pursuant to this Amendment and any notices hereunder may be transmitted among them by email and/or by facsimile. Delivery of an executed counterpart of a signature page of this Amendment in Portable Document Format (PDF) or by facsimile shall be effective as delivery of a manually executed original counterpart of this Amendment. The parties agree that this Amendment, any addendum or amendment hereto or any other document necessary for the consummation of the transaction contemplated by this Amendment may be accepted, executed or agreed to through the use of an electronic signature in accordance with the E-Sign, the UETA and any applicable state law. Any document accepted, executed or agreed to in conformity with such laws will be binding on all parties hereto to the same extent as if it were physically executed and each party hereby consents to the use of any secure third party electronic signature capture service providers, as long as such service providers use system logs and audit trails that establish a temporal and process link between the presentation of identity documents and the electronic signing, together with identifying information that can be used to verify the electronic signature and its attribution to

the signer's identity and evidence of the signer's agreement to conduct the transaction electronically and of the signer's execution of each electronic signature. The original documents shall be promptly delivered, if requested.

SECTION 15. Reaffirmation of Guaranty. Guarantor hereby (i) agrees that the liability of Guarantor or rights of Buyer under the Guaranty shall not be affected as a result of this Amendment, (ii) ratifies and affirms all of the terms, covenants, conditions and obligations of the Guaranty and (iii) acknowledges and agrees that such Guaranty is and shall continue to be in full force and effect.

SECTION 16. Binding Effect. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 17. **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. NOTWITHSTANDING ANYTHING TO THE CONTRARY, THE EFFECTIVENESS, VALIDITY AND ENFORCEABILITY OF ELECTRONIC CONTRACTS, OTHER RECORDS, ELECTRONIC RECORDS AND ELECTRONIC SIGNATURES USED IN CONNECTION WITH ANY ELECTRONIC TRANSACTION BETWEEN BUYER AND SELLER SHALL BE GOVERNED BY E-SIGN.**

SECTION 18. [SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Buyer and the Seller have caused their names to be signed hereto by their respective officers thereunto duly authorized as of the date first above written.

UBS AG, as Buyer

By: /s/ Michael Zoccoli
Name: Michael Zoccoli
Title: Executive Director

By: /s/ Andrew Lisa
Name: Andrew Lisa
Title: Executive Director

RMTG LENDER LLC, as Seller

By: /s/ Matthew Brown
Name: Matthew Brown
Title: Chief Financial Officer and Treasurer

SEVEN HILLS REALTY TRUST, as Guarantor

By: /s/ Matthew Brown
Name: Matthew Brown
Title: Chief Financial Officer and Treasurer

EXHIBIT 10.20

AMENDMENT NO. 2 TO MASTER REPURCHASE AND SECURITIES CONTRACT

AMENDMENT NO. 2 TO MASTER REPURCHASE AND SECURITIES CONTRACT, dated as of February 17, 2026 (this "Amendment") by and between **SEVEN HILLS WF LENDER 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 Master Repurchase and Securities Contract, dated as of March 11, 2022, by and between Seller and Buyer (as amended hereby, and as the same has been and may be further amended, restated, supplemented or otherwise modified and in effect from time to time, the "Repurchase Agreement");

WHEREAS, Seller and Buyer have agreed, subject to the terms and conditions hereof, that the Repurchase Agreement shall be amended as set forth in this Amendment;

WHEREAS, Seven Hills Realty Trust ("Guarantor") has agreed, subject to the terms and conditions hereof, to make the acknowledgements set forth herein.

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

SECTION 1. Repurchase Agreement Amendments. The Repurchase Agreement is hereby amended to delete the red stricken text (indicated textually in the same manner as the following example: ~~**stricken text**~~), move the green stricken text from its current location to the location of the green underlined text (indicated textually in the same manner as the following example: ~~**stricken text**~~ to **underlined text**) and to add the blue underlined text (indicated textually in the same manner as the following example: **underlined text**) as attached hereto on Exhibit A.

SECTION 2. Conditions Precedent. This Amendment and its provisions shall become effective on the first date on which (i) this Amendment is duly executed and delivered by Seller, Guarantor and Buyer and (ii) Buyer receives such other documents as Buyer or counsel to Buyer may reasonably request in connection with this Amendment including, without limitation, a duly executed and delivered copy of the Second Amended and Restated Fee and Pricing Letter, in each case in form and substance acceptable to Buyer, provided that this clause (ii) shall be deemed satisfied on the release from escrow of each of Seller's, Guarantor's and Buyer's signature pages to the Second Amended and Restated Fee and Pricing Letter and this Amendment.

SECTION 3. Representations and Warranties. On and as of the date first above written, Seller hereby represents and warrants to Buyer that (a) immediately prior to giving effect to this Amendment, it is in compliance with all the terms and provisions set forth in the Repurchase Documents on its part to be observed or performed, (b) immediately after giving effect to this Amendment, no Default or Event of Default under the Repurchase Documents will

have occurred and be continuing and (c) immediately after giving effect to this Amendment, the representations and warranties contained in the Repurchase Documents (except for any representation or warranty with respect to an Purchased Asset set forth in Section 7.10 and/or Schedule 1 of the Repurchase Agreement) will be true and correct in all material respects as though made on the date hereof (except for any such representation or warranty that by its terms refers to a specific date other than the date first above written, in which case it shall be true and correct in all material respects as of such other date).

SECTION 4. Acknowledgments of Guarantor. Guarantor hereby acknowledges the execution and delivery of this Amendment by Seller and Buyer and agrees that it continues to be bound by that certain Guarantee Agreement, dated as of March 11, 2022, made by Guarantor in favor of Buyer, notwithstanding the execution and delivery of this Amendment and the impact of the changes set forth herein.

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 date hereof (a) all references in the Repurchase Documents to the "Repurchase Documents" shall be deemed to include, in any event, this Amendment and (b) 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.

SECTION 6. No Novation, Effect of Agreement. The parties hereto have entered into this Amendment solely to amend the terms of the Repurchase Agreement and do not intend this Amendment or the transactions contemplated hereby to be, and this Amendment and the transactions contemplated hereby shall not be construed to be, a novation of any of the obligations owing by Seller, Guarantor or any of their respective affiliates (the "Repurchase Parties") under or in connection with the Repurchase Agreement or any of the other Repurchase Documents. It is the intention of each of the parties hereto that (i) the perfection and priority of all security interests securing the payment of the obligations of the Repurchase Parties under the Repurchase Documents are preserved and (ii) the liens and security interests granted under the Repurchase Documents continue in full force and effect.

SECTION 7. Counterparts. By signing or countersigning below, Buyer and Seller each acknowledge and agree to the terms of this Amendment. This Amendment may be executed in counterparts (including using any electronic signature covered by the United States ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., www.docusign.com), and such counterparts may be delivered in electronic format, including by facsimile, email or other transmission method. Such delivery of counterparts shall be conclusive evidence of the intent to be bound hereby and each such counterpart, including those delivered in electronic format, and copies produced therefrom shall have the same effect as an originally signed counterpart. To the extent applicable, the foregoing constitutes the election of the parties to invoke any law authorizing electronic signatures. Minor variations in the form of the signature page, including footers from earlier versions of this Amendment, shall be disregarded in determining a party's intent or the effectiveness of such signature. No party shall raise the use the delivery of signatures to this Amendment in electronic format as a defense to the formation of a contract and each such party forever waives any such defense.

SECTION 8. Costs and Expenses. Seller shall pay Buyer's third-party out-of-pocket costs and expenses actually incurred in connection with the preparation, negotiation, execution and consummation of this Amendment in accordance with the Repurchase Agreement.

SECTION 9. GOVERNING LAW; SUBMISSION TO JURISDICTION. SECTIONS 18.01 AND 18.02 OF THE REPURCHASE AGREEMENT ARE HEREBY INCORPORATED HEREIN, *MUTATIS MUTANDIS*, AS IF A PART HEREOF.

SECTION 10.IMPORTANT WAIVERS. THE WAIVERS SET FORTH IN SECTION 18.03 OF THE REPURCHASE AGREEMENT ARE HEREBY INCORPORATED HEREIN, *MUTATIS MUTANDIS*, AS IF A PART HEREOF.

[Signature Pages Follow]

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

BUYER:

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: /s/ Ross Painter
Name: Ross Painter
Title: Executive Director

[Additional Signature Pages Follow]

SELLER:

SEVEN HILLS WF LENDER LLC

By: /s/ Matthew Brown
Name: Matthew Brown
Title: Chief Financial Officer and Treasurer

[Additional Signature Page Follows]

ACKNOWLEDGED:

SEVEN HILLS REALTY TRUST

By: /s/ Matthew Brown
Name: Matthew Brown
Title: Chief Financial Officer and Treasurer

EXHIBIT A

[CONFORMED COPY ATTACHED]

MASTER REPURCHASE AND SECURITIES CONTRACT

between

SEVEN HILLS WF LENDER LLC

and

WELLS FARGO BANK, NATIONAL ASSOCIATION

Dated as of March 11, 2022

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THIS MASTER REPURCHASE AND SECURITIES CONTRACT, dated as of March 11, 2022 (as amended, restated, supplemented or otherwise modified and in effect from time to time, this "Agreement"), is made by and between **SEVEN HILLS WF LENDER LLC**, a Delaware limited liability company, as Seller (as more specifically defined below, "Seller") and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association, as buyer (as more specifically defined below, "Buyer"). Seller and Buyer (each also a "Party" and, collectively, the "Parties") hereby agree as follows:

ARTICLE 1

APPLICABILITY

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

ARTICLE 2

DEFINITIONS AND INTERPRETATION

Section 2.01 Definitions.

"2026 Amendment Effective Date": February 17, 2026.

"Accelerated Repurchase Date": Defined in Section 10.02.

"Additional Advance": Defined in Section 3.11.

"Additional Advance Notice": Defined in Section 3.11.

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

"Aggregate Amount Outstanding": On each date of the determination thereof, the total Purchase Price owing to Buyer by Seller in connection with all Transactions under this Agreement outstanding on such date.

"Announcements": Defined in Section 12.01(e).

"Anti-Corruption Law": The U.S. Foreign Corrupt Practices Act of 1977, the UK Bribery Act, the Canadian Corruption of Foreign Public Officials Act or any other law applicable to Seller or any of its Affiliates that prohibits the bribery of foreign officials to gain a business advantage.

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

"Amended and Restated Confirmation": Defined in Section 3.01(d).

"Applicable Percentage": For each Purchased Asset as of any date, the lower of (a) the applicable percentage determined by Buyer for such Purchased Asset on the Purchase Date therefor as specified in the relevant Confirmation, up to the Maximum Applicable Percentage, and (b) any applicable percentage requested by Seller for such Purchased Asset on the Purchase Date therefor as such applicable percentage is increased, under this clause (b), by taking into account any additional amounts of Purchase Price paid by Buyer after the applicable Purchase Date in accordance with this Agreement including, without limitation, any Future Funding Transactions and Additional Advances, up to the percentage determined under the preceding clause (a), in each case as set forth on the related Confirmation.

"Applicable SOFR": With respect to any Transaction, either SOFR Average or Term SOFR, as applicable, as designated in the related Confirmation therefor.

"Appraisal": An appraisal of the related Mortgaged Property conducted by an Independent Appraiser in accordance with the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as amended, and, in addition, certified by such Independent Appraiser as having been prepared in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation, addressed to (either directly or pursuant to a reliance letter in favor of Buyer or reliance language in such Appraisal running to the benefit of Seller's successor and/or assigns or purchasers of the Purchased Assets) and reasonably satisfactory to Buyer.

"Approved Representation Exception": With respect to any Purchased Asset, any Proposed Representation Exception that is set forth on the related Confirmation or otherwise approved in writing by Buyer in its discretion.

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

"Asset Value": With respect to a Purchased Asset, an amount equal to the product of (i) the Market Value for such Purchased Asset, multiplied by (ii) the Applicable Percentage for such Purchased Asset.

"Assignment and Acceptance": Defined in Section 18.08(c).

"Bailee": Defined in the Custodial Agreement, which definition is incorporated herein by reference.

"Bailee Agreement": Defined in the Custodial Agreement, which definition is incorporated herein by reference.

"Bailee Trust Receipt": Defined in the Custodial Agreement, which definition is incorporated herein by reference.

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

"Basic Mortgage Asset Documents": The following original (except as otherwise permitted in Section 2.01 of the Custodial Agreement), fully executed and complete documents (in each case together with the applicable Interim Assignment Documents, if any, and Blank Assignment Documents):

(a) in the case of a Whole Loan, the related Mortgage Note, Mortgage and assignment of leases and rents, if any;

(b) in the case of a Senior Interest consisting of a Participation Interest, the related Participation Certificate;

(c) in the case of a Senior Interest consisting of a Senior Interest Note, the related Senior Interest Note; and

(d) in the case of a Mezzanine Loan, the related Mezzanine Note and Pledge Agreement (as such term is defined in the Custodial Agreement).

"Benchmark": (A) With respect to any Transaction for which the Applicable SOFR is initially the SOFR Average, initially, 30-Day SOFR Average; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to 30-Day SOFR Average or the then-current Benchmark in accordance with Section 12.01(a) for purposes of this clause (A), then, for purposes of this clause (A), "Benchmark" shall mean the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (a) of Section 12.01, and (B) with respect to any Transaction for which the Applicable SOFR is initially Term SOFR, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark in accordance with Section 12.01(a) for purposes of this clause (B), then, for purposes of this clause (B), "Benchmark" shall mean the applicable Benchmark

Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (a) of Section 12.01.

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

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

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

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

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

"Benchmark Replacement Adjustment": With respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by Buyer.

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

"Benchmark Replacement Date": With respect to any Benchmark, the earliest to occur of the following events with respect to such Benchmark:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced

therein and (b) the date on which the administrator of such Benchmark permanently or indefinitely ceases to provide such Benchmark; or

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the first date on which such Benchmark has been determined and announced by the regulatory supervisor for the administrator of such Benchmark to be no longer representative; provided, that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (3) even if such Benchmark continues to be provided on such date.

"Benchmark Transition Event": With respect to any Benchmark, the occurrence of one or more of the following events with respect to such Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark announcing that such administrator has ceased or will cease to provide such Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark;

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

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

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

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

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

"Blank Assignment Documents": The following fully executed and complete documents, each in form and substance satisfactory to Buyer, undated and executed in blank by

Seller (none of which shall be recorded or filed in the public records other than pursuant to an exercise of Buyer's remedies under Section 10.02(c)):

(a) in the case of a Whole Loan, (i) an allonge to the related Mortgage Note, (ii) an assignment of the related Mortgage, (iii) an assignment of the related assignment of leases and rents, if any, (iv) an omnibus or general assignment of all of Seller's interest in such Whole Loan including, without limitation, the related Mortgage Loan Documents and (v) UCC-3 financing statement(s) assigning each UCC-1 financing statement filed or recorded in connection with such Whole Loan;

(b) in the case of a Senior Interest consisting of a Participation Interest, (i) an assignment of, or endorsement to, the related Participation Certificate and (ii) an assignment and assumption agreement that assigns all of Seller's interest in such Senior Interest including, without limitation, the related Senior Interest Documents;

(c) in the case of a Senior Interest consisting of a Senior Interest Note, (i) an allonge to such Senior Interest Note and (ii) an assignment and assumption agreement that assigns all of Seller's interest in such Senior Interest including, without limitation, the related Senior Interest Documents; and

(d) in the case of a Mezzanine Loan, (i) an allonge to the related Mezzanine Note, (ii) an omnibus or general assignment of all of Seller's interest in such Mezzanine Loan including, without limitation, the related Mezzanine Loan Documents, (iii) an assignment of the related stock power covering each certificate representing the related Equity Interests and (iv) UCC-3 financing statement(s) assigning each UCC-1 filed or recorded in connection with such Mezzanine Loan.

"Book Value": For each Purchased Asset, as of any date, an amount, as certified by Seller in the related Confirmation, equal to the lesser of (a) the outstanding principal amount or par value thereof as of such date, and (b) the price that Seller initially paid or advanced in respect thereof, *plus* any additional amounts advanced by Seller that were funded in connection with Seller's future funding obligations under the related Purchased Asset Documents, *minus* Principal Payments received by Seller and as further reduced by losses realized and write-downs taken by Seller, together with all other reductions in the unpaid balance due in connection with the related Whole Loan (including, with respect to any Senior Interest that is a participation, any reduction in the principal balance of the related Whole Loan).

"Business Day": Any day other than (a) a Saturday or a Sunday, (b) a day on which the Deposit Account Bank or banks in the States of New York, Minnesota or North Carolina are authorized or obligated by law or executive order to be closed, or (c) any day on which the New York Stock Exchange, the Federal Reserve Bank of New York or Custodian is authorized or obligated by law or executive order to be closed.

"Buyer": Wells Fargo Bank, National Association, in its capacity as Buyer under this Agreement and the other Repurchase Documents, together with its successors and permitted assigns.

"Capital Lease Obligations": With respect to any Person, the amount (determined on a consolidated basis) of all obligations of such Person to pay rent or other amounts under a lease of property to the extent and in the amount that such obligations are required to be classified and accounted for as a capital lease on a balance sheet of such Person.

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

"Cause": With respect to an Independent Director or Independent Manager, (i) acts or omissions by such Independent Director or Independent Manager that constitute willful disregard of, or bad faith or gross negligence with respect to, such Independent Director or Independent Manager's duties under the applicable by-laws, limited partnership agreement or limited liability company agreement, (ii) that such Independent Director or Independent Manager has engaged in or has been charged with, or has been convicted of, fraud or other acts constituting a crime under any law applicable to such Independent Director or Independent Manager, (iii) that such Independent Director or Independent Manager is unable to perform his or her duties as Independent Director or Independent Manager due to death, disability or incapacity, or (iv) that such Independent Director or Independent Manager no longer meets the definition of "Independent Director" or "Independent Manager".

"Change of Control": The occurrence of any of the following events: (a) any "person" or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act) shall become, or obtain rights (whether by means of warrants, options or otherwise) to become, the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of forty-nine and nine-tenths percent (49.9%) or more of the total voting power of all classes of Capital Stock of Guarantor that are entitled to vote generally in the election of directors, members or partners, (b) Guarantor shall cease to own and Control, of record and beneficially, directly one hundred percent (100%) of each class of the outstanding Capital Stock of Pledgor, (c) Pledgor shall cease to own and Control, of record and beneficially, directly one hundred percent (100%) of each class of the outstanding Capital Stock of Seller, (d) The RMR Group LLC or an Affiliate of The RMR Group LLC shall cease to Control Manager, or (e) Manager or an Affiliate of Manager ceases for any reason to act as manager of Guarantor.

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

"Closing Certificate": A true and correct certificate in form and substance acceptable to Buyer and executed by a Responsible Officer of Seller.

"Closing Date": March 11, 2022.

"Code": The Internal Revenue Code of 1986.

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

"Confirmation": A purchase confirmation in the form of Exhibit A-1, or an Amended and Restated Confirmation in the form of Exhibit A-2, as applicable, in each case duly completed, executed and delivered by Seller and Buyer in accordance with this Agreement.

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

"Contingent Liabilities": With respect to any Person as of any date of determination, all of the following as of such date (determined on a consolidated basis): (a) liabilities and obligations (including any Guarantee Obligations) of such Person in respect of "off-balance sheet arrangements" (as defined in the Off-Balance Sheet Rules defined below in this definition), (b) obligations of such Person, including Guarantee Obligations, whether or not required to be disclosed in the footnotes to such Person's financial statements, guaranteeing in whole or in part any Non-Recourse Indebtedness, lease, dividend or other obligation, excluding, however (i) contractual indemnities (including any indemnity or price-adjustment provision relating to the purchase or sale of securities or other assets) and (ii) guarantees of non-monetary obligations that have not yet been called on or quantified, of such Person or any other Person, and (c) forward commitments or obligations to fund or provide proceeds with respect to any loan or other financing that is obligatory and non-discretionary on the part of the lender. The amount of any Contingent Liabilities described in the preceding clause (b) shall be deemed to be (i) with respect to a guarantee of interest or interest and principal, or operating income guarantee, the sum of all payments required to be made thereunder (which, in the case of an operating income guarantee, shall be deemed to be equal to the debt service for the note secured thereby), through (x) in the case of an interest or interest and principal guarantee, the stated date of maturity of the obligation (and commencing on the date interest could first be payable thereunder), or (y) in the case of an operating income guarantee, the date through which such guarantee will remain in effect, and (ii) with respect to all guarantees not covered by the preceding clause (i), an amount equal to the stated or determinable amount of the primary obligation in respect of which such guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as recorded on the balance sheet and in the footnotes to the most recent financial statements of such Person. "Off-Balance Sheet Rules" means the Disclosure in Management's Discussion and Analysis About Off-Balance Sheet Arrangements and Aggregate Contractual Obligations, Securities Act Release

Nos. 33-8182; 34-47264; FR-67 International Series Release No. 1266 File No. S7-42-02, 68 Fed. Reg. 5982 (Feb. 5, 2003) (codified at 17 CFR Parts 228, 229 and 249).

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

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

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

"Credit Event": Defined in the Fee Letter, which definition is incorporated herein by reference.

"Current Mark-to-Market Value": For any Purchased Asset as of any date of determination, the market value for such Purchased Asset as of such date as determined by Buyer in its sole discretion, which shall be determined taking into account such criteria as and to the extent that Buyer deems appropriate in its sole discretion, including, without limitation, as appropriate, Buyer's assessment of the market value of the related Mortgaged Property, market conditions, credit quality, liquidity of position, subordination and delinquency status and aging, as such market value may be adjusted by Buyer from time to time (i) upon the occurrence of a Credit Event (provided that Buyer shall not adjust the market value of such Purchased Asset solely due to interest rate changes or credit spread movements) and/or (ii) reduced to zero dollars ($0) by Buyer in its sole discretion upon the occurrence of any of the following events, in each case as determined by Buyer in its sole discretion:

(a) such Purchased Asset fails to satisfy any of the requirements set forth in the definition of "Eligible Asset";

(b) a Representation Breach exists with respect to such Purchased Asset and continues unremedied for ten (10) Business Days after the earlier of receipt of notice thereof from Buyer or the discovery of such Representation Breach by Seller;

(c) any statement, affirmation, certification, document, report or notice made or prepared and delivered by Seller to Buyer with respect to such Purchased Asset is untrue in any material respect (but excluding any information, document, agreement, report or notice prepared or delivered by or on behalf of an Underlying Obligor) and continues unremedied for five (5) Business Days after the earlier of receipt of notice thereof from Buyer or the discovery of such inaccuracy by Seller;

(d) any Retained Interest, funding obligation or any other obligation of any kind with respect to such Purchased Asset has been transferred to Buyer;

(e) Seller fails to repurchase such Purchased Asset on the Repurchase Date therefor;

(f) an Insolvency Event has occurred with respect to any Underlying Obligor;

(g) all Purchased Asset Documents with respect to such Purchased Asset have not been delivered to Custodian within the time periods required by this Agreement and the Custodial Agreement;

(h) any material Purchased Asset Document has been released from the possession of Custodian under the Custodial Agreement to Seller or any other Person for more than ten (10) days;

(i) such Purchased Asset contributes to a violation of any applicable Sub-Limit;

(j) Seller fails to observe or perform in any material respect any obligation of Seller under the Purchased Asset Documents to which Seller is a party beyond any applicable notice and/or cure period; or

(k) Seller fails to deliver any reports required hereunder with respect to such Purchased Asset and such failure materially and adversely affects the market value thereof or Buyer's ability to determine the market value therefor; provided, however, that if such failure is due to Seller's inability to obtain any such report from the related Underlying Obligor, then (i) Seller shall make commercially reasonable efforts to obtain such report from the related Underlying Obligor as soon as practicable, (ii) during the thirty (30) day period following Seller's initial failure to deliver any such report, unless and until Seller delivers the applicable report, Buyer may re-determine the Current Mark-to-Market Value of the applicable Purchased Asset for purposes of a Margin Call and, in connection with such re-determination, Buyer may draw any adverse inference from any missing information that Buyer deems to be reasonable under the circumstances, and (iii) the Current Mark-to-Market Value of such Purchased Asset may be determined to be zero for so long as Seller's failure to obtain such report continues beyond the thirtieth (30^{th}) day following Seller's initial failure to deliver such report.

"Custodial Agreement": The Custodial Agreement, dated as of the date hereof, among Buyer, Seller and Custodian, as the same may be amended, modified, waived, supplemented, extended, replaced or restated from time to time.

"Custodian": Computershare Trust Company, National Association, or any successor custodian appointed by Buyer, and reasonably acceptable to Seller, or appointed by Buyer, in its sole discretion during the continuance of an Event of Default.

"Debt Yield":

(a) With respect to any Purchased Asset that is a Whole Loan, for any relevant time period, the percentage equivalent of the quotient obtained by dividing (i) the underwritten Net Cash Flow or net operating income for such period with respect to the Mortgaged Property securing such Purchased Asset, as determined by Buyer in its sole discretion, by (ii) the approved maximum Purchase Price of such Purchased Asset as of the applicable date of determination; and

(b) with respect to any Purchased Asset that is a Senior Interest, for any relevant time period, the percentage equivalent of the quotient obtained by dividing (i) the product of (x) the Fractional Interest Percentage with respect to such Purchased Asset and (y) the underwritten Net Cash Flow or net operating income for such period with respect to the Mortgaged Property securing the related Whole Loan, as determined by Buyer in its sole discretion, by (ii) the approved maximum Purchase Price of such Purchased Asset as of the applicable date of determination.

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

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

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

"Defaulted Asset": Any Asset or Purchased Asset and, in the case of any Senior Interest or Mezzanine Loan, any related Whole Loan, as applicable, (a) that is thirty (30) or more days (or, in the case of payments due at maturity, one (1) day) delinquent in the payment of principal, interest, fees, distributions or any other amounts payable under the related Purchased Asset Documents, in each case, without regard to any waivers or modifications of, or amendments to, the related Purchased Asset Documents, other than those that were disclosed in writing to Buyer prior to the Purchase Date of the related Purchased Asset, unless consented to by Buyer or otherwise entered into in accordance with the terms of this Agreement, (b) for which there is a Representation Breach with respect to such Asset or Purchased Asset, other than an Approved Representation Exception, (c) for which there is a material non-monetary default under the related Purchased Asset Documents beyond any applicable notice or cure period, (d) an Insolvency Event has occurred with respect to the Underlying Obligor or, in the case of any Senior Interest, any co-participant or any Person having an interest in any Purchased Asset that is junior to, *pari passu* with or senior to, in right of payment or priority, the rights of Buyer with respect thereto, (e) with respect to which there has been a Material Modification that was not consented to in writing by Buyer pursuant to this Agreement, or (f) for which Seller or a Servicer has received notice of the foreclosure or proposed foreclosure of any Lien on the related Mortgaged Property; provided that with respect to any Senior Interest or Mezzanine Loan, in addition to the foregoing such Senior Interest or Mezzanine Loan will also be considered a

Defaulted Asset to the extent that the related Whole Loan would be considered a Defaulted Asset as described in this definition provided, further, in each case, without regard to any waivers or modifications of, or amendments to, the related Purchased Asset Documents, other than waivers, modifications or amendments which (i) were Material Modifications expressly consented to in writing by Buyer or (ii) did not constitute Material Modifications hereunder.

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

"Deposit Account Bank": Wells Fargo Bank, National Association, or any successor depository bank appointed by Buyer, and reasonably acceptable to Seller, or appointed by Buyer, in its sole discretion during the continuance of an Event of Default.

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

"Derivatives Termination Value": With respect to any one or more Derivatives Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Derivatives Contracts, (a) for any date on or after the date such Derivatives Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in the preceding clause (a), the amount(s) determined as the mark–to–market value(s) for such Derivatives Contracts, as determined based on one or more mid–market or other readily available quotations provided by any recognized dealer in such Derivatives Contracts (which may include Buyer).

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

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

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

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

"Early Repurchase Date": The date on which a Purchased Asset is repurchased pursuant to Section 3.04.

"Eligible Asset": An Asset that satisfies each of the following criteria:

(a) such Asset has been approved as a Purchased Asset by Buyer as of the related Purchase Date;

(b) no Representation Breach exists with respect to such Asset;

(c) such Asset is not a Defaulted Asset;

(d) such Asset accrues interest at a floating rate based on a defined spread plus a benchmark rate acceptable to Buyer;

(e) with respect to such Asset, there are no future funding obligations on the part of Seller, other than any future funding obligations identified on the related Confirmation (which, for the avoidance of doubt, are and shall remain at all times, solely the obligations of Seller) or expressly approved by Buyer pursuant to Section 3.10;

(f) such Asset satisfies the applicable Maximum Purchased Asset PPV Requirement;

(g) giving effect to the Transaction with respect to such Asset will not result in a failure to satisfy the Facility Debt Yield Test;

(h) if the Type of the related Mortgaged Property is a hotel, (i) such hotel is a national flag hotel, (ii) Buyer has received a copy of the franchise agreement and related documents for operation of the hotel under the national flag, all reports issued by the franchisor and a comfort letter (or a subordination and non-disturbance agreement or similar agreement) from the franchisor running to the benefit of successors and assigns of the lender, (iii) the hotel management is acceptable to Buyer as of the related Purchase Date, and (iv) the hotel manager has entered into a subordination of management agreement, all of which are acceptable to Buyer as of the related Purchase Date;

(i) with respect to such Asset, the underlying Mortgaged Property is located in the United States, the Underlying Obligors are domiciled in the United States, and all obligations under the Asset and the Purchased Asset Documents are denominated and payable in Dollars;

(j) with respect to such Asset, the Mortgaged Property is not under construction, conversion of use or gutting or heavy rehabilitation;

(k) with respect to such Asset, none of the Underlying Obligors (and any of their respective Affiliates) related to such Asset or Purchased Asset are Sanctioned Targets;

(l) such Asset does not involve an Equity Interest of any Seven Hills Party that would result in (i) an actual or potential conflict of interest or (ii) an affiliation with

an Underlying Obligor which results or could result in the loss or impairment of any material rights of the holder of the related Purchased Asset; provided, Seller shall disclose to Buyer before the Purchase Date each Equity Interest held or to be held by any Seven Hills Party with respect to such related Purchased Asset whether or not it satisfies either of the preceding clauses (i) or (ii);

(m) such Asset is secured by, or with respect to a Senior Interest, the related Whole Loan is secured by, a perfected, first-priority security interest on either a "fully stabilized", "light transitional" or "moderate transitional" Type of Mortgaged Property (or, in the case of a Mezzanine Loan, secured by first priority pledges of all of the Equity Interests of Persons that directly or indirectly own such a property), in each case as determined by Buyer as of the related Purchase Date;

(n) all Purchased Asset Documents for such Asset have been delivered to Custodian or a Bailee in accordance with the terms hereof and the Custodial Agreement;

(o) giving effect to the Transaction with respect to such Asset will not result in a violation of any Sub-Limit;

(p) with respect to such Asset, Seller has delivered an Irrevocable Redirection Notice;

(q) all escrows, reserves and other collateral accounts with respect to such Asset that are subject to a control agreement with Seller pursuant to the Purchased Asset Documents are subject to a perfected security interest in favor of Seller, and each such security interest has been assigned pursuant to the Blank Assignment Documents;

(r) with respect to such Asset, Seller or any Underlying Obligor or paying agent has not failed (beyond any applicable notice and cure periods) to remit to Servicer for deposit into the Servicer Account all related Income and other amounts as required by the Purchased Asset Documents and this Agreement when due;

(s) if the Class of such Asset is a Mezzanine Loan, the related Whole Loan is subject to a Transaction at all times that such Asset is subject to a Transaction;

(t) if the Class of such Asset is a Senior Interest that is a non-controlling Participation Interest, such Asset is an Eligible NCPPP;

(u) if such Asset is subject to a co-lender agreement, participation agreement, intercreditor agreement or other similar agreement among creditors that requires a notice of transfer and/or a notice of pledge to be delivered in order to give effect to the rights of the transferee or pledgee, as applicable, thereunder, Seller has delivered a Notice of Transfer/Pledge with respect to such Asset; and

(v) if any portion of the Mortgaged Property related to such Asset is subject to a partial release, Buyer shall have received, on or before the effective date of such partial

release, an Appraisal specifying the value of the Mortgaged Property that remains as security for the related Asset following the date of consummation for such partial release (which, for the avoidance of doubt, may be satisfied by an Appraisal previously delivered by Seller if such Appraisal specifies the value of such remaining Mortgaged Property).

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 Person designated by Buyer that is: (a) (i) a bank (including, without limitation, any entity that is regulated by the Federal Reserve, the Federal Deposit Insurance Corporation, or the Office of the Comptroller of the Currency), (ii) a credit union, (iii) a financial institution, (iv) a pension fund, (v) an insurance company or similar Person, (vi) an Affiliate of any of the foregoing, (vii) an Affiliate of Buyer or (viii) any fund sponsored by, or established by or on behalf of, or at the request of, any Governmental Authority, regulator or similar entity; or (b) any other Person to which Seller has consented, provided that (i) such consent of Seller shall not be unreasonably withheld, delayed or conditioned and (ii) such consent of Seller shall not be required at any time when a Default or Event of Default exists.

"Environmental Laws": Any federal, state, foreign or local statute, law, rule, regulation, ordinance, code, guideline, written policy and rule of common law now or hereafter in effect, and any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to the environment, employee health and safety related to hazardous materials, or hazardous materials, including CERCLA, RCRA, the Federal Water Pollution Control Act, the Toxic Substances Control Act, the Clean Air Act, the Safe Drinking Water Act, the Oil Pollution Act of 1990, the Emergency Planning and the Community Right-to-Know Act of 1986, the Hazardous Material Transportation Act, the Occupational Safety and Health Act, and any state and local or foreign counterparts or equivalents.

"Eligible NCPPP": A non-controlling Participation Interest that meets each of the following criteria at all times: (i) the related Whole Loan was subject to a Transaction immediately prior to the participation of such Whole Loan, (ii) the controlling interest in, and the ability to control and make all material decisions with respect to, such Whole Loan is held by a securitization trust (or trustee on its behalf) in connection with a capital markets transaction issued by an Affiliate of Seller and (iii) following the participation of the related Whole Loan, no Material Modification has been made with respect to such Whole Loan without first obtaining the prior written consent of Buyer.

"Equity Interests": With respect to any Person, (a) any share, interest, participation and other equivalent (however denominated) of Capital Stock of (or other ownership, equity or profit interests in) such Person, (b) any warrant, option or other right for the purchase or other acquisition from such Person of any of the foregoing, (c) any security convertible into or exchangeable for any of the foregoing, and (d) any other ownership or profit interest in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such share, warrant, option, right or other interest is authorized but unissued on any date.

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

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

"Event of Default": Defined in Section 10.01.

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

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

"Exit Fee": Defined in the Fee Letter, which definition is incorporated herein by reference.

"Extension Conditions": Defined in Section 3.06(a).

"Extension Confirmation Letter": Defined in Section 3.06(a).

"Extension Fee": Defined in the Fee Letter, which definition is incorporated herein by reference.

"Extension Period": Defined in Section 3.06(a).

"Facility Debt Yield Test": Defined in the Fee Letter, which definition is incorporated herein by reference.

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

"FDIA": Defined in Section 14.03.

"FDICIA": Defined in Section 14.04.

"Fee Letter": The ~~fee and pricing letter~~Second Amended and Restated Fee and Pricing Letter, dated as of the ~~date hereof~~2026 Amendment Effective Date, between Buyer and Seller, as amended, modified, waived, supplemented, extended, restated or replaced from time to time.

"Fitch": Fitch, Inc. or, if Fitch, Inc. is no longer issuing ratings, another nationally recognized rating agency reasonably acceptable to Buyer.

"Floor": With respect to any Purchased Asset, the greater of (a) zero percent (0%) and (b) the "Floor" set forth in the related Confirmation.

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

"Fractional Interest Percentage": As of any date of determination, the ratio (expressed as a percentage) of (i) the then outstanding principal balance of the Senior Interest to (ii) the then outstanding principal balance of the related Whole Loan.

"Future Funding Amount": With respect to any Purchased Asset for which a Future Funding Transaction has been requested by Seller and approved by Buyer pursuant to Section 3.10, the amount funded by Buyer in connection with such Future Funding Transaction; provided that in no event shall a Future Funding Amount exceed the product of (a) the amount that Seller is funding as a post-closing advance on the related Future Funding Date as required by the related Purchased Asset Documents relating to such Purchased Asset, and (b) the Applicable Percentage for such Purchased Asset; provided, in no event shall the aggregate amount so requested by Seller exceed the amount of future funding set forth on the related Confirmation for the initial Transaction relating to such Purchased Asset, *minus* all previous Future Funding Amounts funded by Buyer relating to such Purchased Asset.

"Future Funding Date": With respect to any Purchased Asset for which a Future Funding Transaction has been requested by Seller and approved by Buyer in accordance with the terms of this Agreement, the date on which Seller is required to fund a Future Funding Amount pursuant to the Purchased Asset Documents relating to such Purchased Asset.

"Future Funding Request Package": With respect to one or more Future Funding Transactions, the following: (a) the related request for a future funding advance, executed by the related Underlying Obligor (which shall include either therein or separately evidence of Seller's approval of the related Future Funding Transaction), and any other documents (including, without limitation, an endorsement to the related title policy) that are required to be delivered to Seller pursuant to the related Purchased Asset Documents in connection with such future funding advance; (b) a certification by Seller that all conditions precedent to such future funding advance under the related Purchased Asset Documents have been satisfied in all material respects; and (c) to the extent available and requested by Buyer, (i) updated financial statements, operating statements and rent rolls, (ii) engineering reports and updates to the engineering reports and (iii) an updated Underwriting Package for the related Purchased Asset.

"Future Funding Transaction": Any Transaction for which Seller has requested that Buyer fund a portion of Seller's future funding obligations with respect to a Purchased Asset and that has been approved by Buyer pursuant to Section 3.10.

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

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

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

"Ground Lease": A ground lease containing the following terms and conditions: (a) a remaining term (exclusive of any unexercised extension options) of thirty (30) years or more from the Purchase Date of the related Asset, (b) the right of the lessee to mortgage and encumber its interest in the leased property without the consent of the lessor or with such consent

given, (c) the obligation of the lessor to give the holder of any mortgage lien on such leased property written notice of any defaults on the part of the lessee and agreement of such lessor that such lease will not be terminated until such holder has had a reasonable opportunity to cure or complete foreclosures, and fails to do so, (d) reasonable transferability of the lessee's interest under such lease, including ability to sublease, and (e) such other rights customarily required by mortgagees making a loan secured by the interest of the holder of the leasehold estate demised pursuant to a ground lease.

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

"Guarantee Agreement": The Guarantee Agreement dated as of the date hereof, made by Guarantor in favor of Buyer.

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

"Guarantor": Seven Hills Realty Trust, a Maryland real estate investment trust, together with its successors and assigns.

"IBA": Defined in Section 12.01(e).

"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, and (c) all other income, distributions, receipts, payments, collections, prepayments, recoveries, proceeds (including insurance and condemnation proceeds) and other payments or amounts of any kind paid, received, collected, recovered or distributed on, in connection with or in respect of such Purchased Asset, including Principal Payments, Interest Payments, principal and interest payments, prepayment fees, extension fees, exit fees, defeasance fees, transfer fees, make whole fees, late charges, late fees and all other fees or charges of any kind or nature, premiums, yield maintenance charges, penalties, default interest, dividends, gains, receipts, allocations, rents, interests, profits, payments in kind, returns or repayment of contributions, net sale, foreclosure, liquidation, securitization or other disposition proceeds, insurance payments, settlements and proceeds; provided, that (x) security deposits, origination fees and expense reimbursements shall not be included in the term "Income"; (y) any amounts that are required to be deposited into and/or held in escrow or reserve to be used for a specific purpose pursuant to the related Purchased Asset Documents (such as, without limitation, taxes and insurance) shall not be included in the term "Income" unless and until the holder of the related Purchased Asset is entitled to and does exercise its rights and remedies with respect to such amounts to apply such amounts to repayment of the indebtedness of the Underlying Obligor under and in accordance with the Purchased Asset Documents; and (z) any other amounts received by Seller or Servicer that are required to be held by Seller or Servicer pursuant to the terms of the related Purchased Asset Documents until a future point in time when Seller or Servicer is permitted to apply the same to obligations of the Underlying Obligor owed to Seller (such as, without limitation, funds collected during a cash trap period in the related Purchased Asset Documents that are not permitted to be applied pursuant to an application waterfall until a future time) shall not be included in the term "Income" until such point in time when Seller or Servicer is entitled to and does exercise its right to apply the same to obligations of the Underlying Obligor owed to Seller.

"Indebtedness": With respect to any Person and any date, all of the following with respect to such Person as of such date, without duplication: (a) obligations in respect of money borrowed (including principal, interest, assumption fees, prepayment fees, yield maintenance charges, penalties, exit fees, contingent interest and other monetary obligations whether choate or inchoate and whether by loan, the issuance and sale of debt securities or the sale of property or assets to another Person subject to an understanding or agreement, contingent or otherwise, to repurchase such property or assets, or otherwise), (b) obligations, whether or not for money borrowed: (i) represented by notes payable, letters of credit or drafts accepted, in each case representing extensions of credit, (ii) evidenced by bonds, debentures, notes or similar instruments, (iii) constituting purchase money indebtedness, conditional sales contracts, title retention debt instruments or other similar instruments, upon which interest charges are customarily paid or that are issued or assumed as full or partial payment for property or services rendered, or (iv) in connection with the issuance of preferred equity or trust preferred securities, (c) Capital Lease Obligations, (d) reimbursement obligations under any letters of credit or acceptances (whether or not the same have been presented for payment), (e) Off–Balance Sheet Obligations, (f) obligations to purchase, redeem, retire, defease or otherwise make any payment in respect of any mandatory redeemable stock issued by such Person or any other Person

(inclusive of forward equity contracts), valued at the greater of its voluntary or involuntary liquidation preference *plus* accrued and unpaid dividends, (g) as applicable, all obligations of such Person (but not the obligations of others) in respect of any keep well arrangements, credit enhancements, contingent or future funding obligations under any Purchased Asset or any obligation senior to any Purchased Asset, unfunded interest reserve amount under any Purchased Asset or any other obligation of such Person with respect to such Purchased Asset that is senior to such Purchased Asset, purchase obligation, repurchase obligation, sale/buy-back agreement, takeout commitment or forward equity commitment, in each case that is obligatory and non-discretionary and evidenced by a binding agreement (excluding any such obligation to the extent the obligation can be satisfied by the issuance of Equity Interests (other than mandatory redeemable stock)), (h) net obligations under any Derivatives Contract not entered into as a hedge against existing indebtedness, in an amount equal to the Derivatives Termination Value thereof, (i) all Non-Recourse Indebtedness, recourse indebtedness and all indebtedness of other Persons that such Person has guaranteed or is otherwise recourse to such Person, (j) all indebtedness of another Person secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien (other than, except with respect to any Purchased Asset, any Liens granted pursuant to a Repurchase Document) on property or assets owned by such Person, even though such Person has not assumed or become liable for the payment of such indebtedness or other payment obligation; provided, that if such Person has not assumed or become liable for the payment of such indebtedness, then for the purposes of this definition the amount of such indebtedness shall not exceed the market value of the property subject to such Lien, (k) all Contingent Liabilities, (l) all obligations of such Person incurred in connection with the acquisition or carrying of fixed assets by such Person or obligations of such Person to pay the deferred purchase or acquisition price of property or assets, including contracts for the deferred purchase price of property or assets that include the procurement of services, (m) indebtedness of general partnerships of which such Person is liable as a general partner (whether secondarily or contingently liable or otherwise), and (n) obligations to fund capital commitments under any Governing Document, subscription agreement or otherwise.

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

"Indemnified Persons": Defined in Section 13.01(a).

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

"Independent Appraiser": A professional real estate appraiser that (i) is approved by Buyer in its sole discretion; (ii) was not selected or identified by the Underlying Obligor and is not affiliated with the lender under the mortgage or the Underlying Obligor; (iii) if engaged by Seller or any of its Affiliates, Seller or such Affiliate, as applicable, is a "financial services institution" within the meaning of the Interagency Guidelines on Evaluations and Appraisals, (iv) is a member in good standing of the American Appraisal Institute; and (v) is certified or licensed in the state where the subject Mortgaged Property is located.

"Independent Director" or "Independent Manager": An individual who has prior experience as an independent director, independent manager or independent member with at least three (3) years of employment experience and who is provided by CT Corporation, Corporation Service Company, National Registered Agents, Inc., Wilmington Trust Company, Stewart Management Company, or Lord Securities Corporation or, if none of those companies is then providing professional Independent Directors or Independent Managers, another nationally recognized company approved by Buyer, in each case that is not an Affiliate of Seller and that provides professional independent directors, independent managers and/or other corporate services in the ordinary course of its business, and which individual is duly appointed as Independent Director or Independent Manager and is not, has never been, and will not while serving as Independent Director or Independent Manager be, any of the following:

(a) a member, partner, equity holder, manager, director, officer or employee of Seller, Pledgor, or any of their respective equity holders or Affiliates (other than as an Independent Director or Independent Manager of Seller or Pledgor or an Affiliate of Seller or Pledgor that does not own a direct or indirect ownership interest in Seller or Pledgor and that is required by a creditor to be a single purpose bankruptcy remote entity, provided, however, that such Independent Director or Independent Manager is employed by a company that routinely provides professional Independent Directors or Independent Managers);

(b) a creditor, supplier or service provider (including provider of professional services) to Seller, Pledgor or any of their respective equity holders or Affiliates (other than through a nationally-recognized company that routinely provides professional Independent Directors, Independent Managers and/or other corporate services to Seller, Pledgor, or any of their respective equity holders or Affiliates in the ordinary course of business);

(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 and satisfies subparagraph (a) by reason of being the Independent Director or Independent Manager of a Single Purpose Entity affiliated with Seller or Pledgor that does not own a direct or indirect ownership interest in Seller or Pledgor shall be qualified to serve as an Independent Director or Independent Manager of Seller or Pledgor if the fees that such individual earns from serving as Independent Director or Independent Manager of Affiliates of Seller or Pledgor in any given year constitute in the aggregate less than five percent (5%) of such individual's annual income for that year.

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

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

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

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

"Interest Expense": With respect to any Person and for any relevant time period, the amount of total interest expense incurred by such Person, and its consolidated Subsidiaries, including capitalized or accruing interest (but excluding interest funded under a construction loan), *plus* such Person's proportionate share of interest expense from the joint venture investments and unconsolidated Affiliates of such Person, all with respect to such period.

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

"Interim Assignment Documents": The following fully executed and complete documents, each in form and substance satisfactory to Buyer, evidencing a valid assignment of the related Purchased Asset from the Originator to Seller:

(a) in the case of a Whole Loan, (i) an allonge to the related Mortgage Note, (ii) an assignment of the related Mortgage, (iii) an assignment of the related assignment of leases and rents, if any, (iv) an omnibus or general assignment of all of the Originator's interest in such Whole Loan including, without limitation, the related Mortgage Loan Documents and (v) UCC-3 financing statement(s) assigning each UCC-1 financing statement filed or recorded in connection with such Whole Loan;

(b) in the case of a Senior Interest consisting of a Participation Interest, (i) an assignment of, or endorsement to, the related Participation Certificate and (ii) an assignment and assumption agreement that assigns all of the Originator's interest in such Senior Interest including, without limitation, the related Senior Interest Documents;

(c) in the case of a Senior Interest consisting of a Senior Interest Note, (i) an allonge to such Senior Interest Note and (ii) an assignment and assumption agreement that assigns all of the Originator's interest in such Senior Interest including, without limitation, the related Senior Interest Documents; and

(d) in the case of a Mezzanine Loan, (i) an allonge to the related Mezzanine Note, (ii) an omnibus or general assignment of all of the Originator's interest in such Mezzanine Loan including, without limitation, the related Mezzanine Loan Documents, (iii) an assignment of the related stock power covering each certificate representing the related Equity Interests and (iv) UCC-3 financing statement(s) assigning each UCC-1 filed or recorded in connection with such Mezzanine Loan.

"Internal Control Event": Fraud that involves management or other employees who have a significant role in the internal controls of any Seven Hills Party over financial reporting.

"Investment": With respect to any Person, any acquisition or investment (whether or not of a controlling interest) by such Person, whether by means of (a) the purchase or other acquisition of any Equity Interest in another Person, (b) a loan, advance or extension of credit to, capital contribution to, guaranty or credit enhancement of Indebtedness of, or purchase or other acquisition of any Indebtedness of, another Person, including any partnership or joint venture interest in such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute the business or a division or operating unit of another Person. Any binding commitment or option exercisable without the consent of such Person which would obligate such Person to make an Investment in any other Person shall constitute an Investment. Except as expressly provided otherwise, for purposes of determining compliance with any covenant contained in this Agreement, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

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

"Irrevocable Redirection Notice": With respect to each Purchased Asset, a notice in the form attached hereto as Exhibit G, to be signed by Seller or by Servicer on Seller's behalf, which notice may be delivered to the applicable Underlying Obligor after the occurrence and during the continuance of an Event of Default in accordance with this Agreement.

"IRS": The United States Internal Revenue Service.

"ISDA Definitions": The 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

"Knowledge": With respect to any Person, means collectively (i) the actual knowledge of (a) a Responsible Officer of such Person without further inquiry or investigation and (b) with respect to any representations, warranties, certifications or statements with respect to any Purchased Asset, the employees of the Seller Parties responsible for the origination, acquisition, underwriting or asset management of such Purchased Asset, (ii) notice of any fact, event, condition or circumstance that would cause a reasonably prudent Person to conduct an inquiry that would give such Person actual knowledge, whether or not such Person actually undertook such an inquiry, and (iii) all knowledge that is imputed to a Person under any statute, rule, regulation, ordinance, or official decree or order.

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

"Manager": Tremont Realty Capital LLC, a Maryland limited liability company, together with its successors and assigns.

"Mandatory Early Repurchase Event": With respect to any Purchased Asset, the determination by Buyer that any of the following events or any substantially similar occurrence or condition has occurred:

(a) such Purchased Asset fails to satisfy any of the requirements set forth in the definition of "Eligible Asset";

(b) all documents required to be delivered to Custodian under the Custodial Agreement with respect to such Purchased Asset have not been so delivered on a timely basis;

(c) such Purchased Asset is a Mezzanine Loan and the related Whole Loan is not a Purchased Asset;

(d) a partial or complete repurchase of such Purchased Asset is required to cure a Default, Event of Default, as determined by Buyer in its sole discretion; or

(e) any "Mandatory Early Repurchase Event" identified in the Confirmation for such Purchased Asset.

"Margin Call": Defined in Section 4.01(a).

"Margin Deficit": Defined in Section 4.01(a).

"Margin Excess": For any Purchased Asset, as of any date of determination, the amount by which (a) the Asset Value exceeds (b) the outstanding Purchase Price of such Purchased Asset.

"Market Disruption Event": Any event or events that, as determined by Buyer, results in (a) the effective absence of a "repo market" or related "lending market" for purchasing (subject to repurchase) or financing debt obligations secured by commercial mortgage loans or securities, (b) Buyer's not being able to finance Purchased Assets through the "repo market" or "lending market" with traditional counterparties at rates that would have been reasonable prior to the occurrence of such event or events, (c) the effective absence of a "securities market" for securities backed by Purchased Assets, or (d) Buyer's not being able to sell securities backed by Purchased Assets at prices that would have been reasonable prior to the occurrence of such event or events.

"Market Value": For any Purchased Asset as of any date, the lower of the Current Mark-to-Market Value and the Book Value for such Purchased Asset as determined by Buyer; provided that, notwithstanding any other provision of this Agreement, the Market Value of a Purchased Asset shall not exceed the Market Value assigned to such Purchased Asset as of the Purchase Date.

"Material Adverse Effect": Any event, development or circumstance that has a material adverse effect on or material adverse change in or to (a) the property, assets, business, liabilities (actual or contingent), operations, financial condition, credit quality or prospects of any Seller Party, taken as a whole, (b) the ability of Seller to pay and perform any of its duties, obligations or agreements under the Repurchase Obligations, (c) the validity, legality, binding effect or enforceability of any Repurchase Document, Purchased Asset Document with respect to any Purchased Asset, Purchased Asset or security interest granted hereunder or thereunder, (d) the rights and remedies of Buyer or any Indemnified Person under any Repurchase Document, Purchased Asset 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 Purchased Asset Document with respect to any Purchased Asset.

"Material Impairment Threshold": Defined in the Fee Letter, which definition is incorporated herein by reference.

"Material Modification":

(a) Any extension of term (except to the extent granted to the Underlying Obligor under the Purchased Asset Documents as a matter of right for which there is no lender discretion other than the determination whether the conditions precedent to the exercise of such right by the related Underlying Obligor have been satisfied);

(b) any material amendment, waiver, termination, rescission, cancellation, release, subordination, or other material modification to the terms of, or any collateral, guaranty or indemnity for, any Purchased Asset or Purchased Asset Document (including, without limitation, any provision related to the amount or timing of any scheduled payment of interest or principal, the validity, perfection or priority of any security interest, or the release of any collateral or obligor other than releases that are permitted as a matter of right under the Purchased Asset Documents, which may be upon satisfaction of conditions specified in the Purchased Asset Documents);

(c) any sale, transfer, disposition, or any similar action with respect to any collateral for any Purchased Asset (except to the extent permitted or required under the Purchased Asset Documents and for which there is no lender discretion other than the determination whether the conditions precedent to the exercise of such right by the related Underlying Obligor have been satisfied); or

(d) the foreclosure, acceptance of a deed in lieu, or exercise of any material right or remedy by the holder of any Purchased Asset or Purchased Asset Document; provided, that, in each case, with respect to any Senior Interest, in addition to the foregoing, any Material Modification with respect to the related Whole Loan shall be deemed to be a Material Modification with respect to such Senior Interest for all purposes of this Agreement.

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

"Maturity Date": The earliest to occur of (a) March ~~11~~13, ~~2026~~2028, as such date may be extended pursuant to Section 3.06(a), (b) any Accelerated Repurchase Date and (c) any date on which the Maturity Date shall otherwise occur in accordance with the provisions hereof or Requirements of Law.

"Maximum Amount:": Defined in the Fee Letter, which definition is incorporated herein by reference.

"Maximum Applicable Percentage": Defined in the Fee Letter, which definition is incorporated herein by reference.

"Maximum Purchased Asset PPV Requirement": Defined in the Fee Letter, which definition is incorporated herein by reference.

"Mezzanine Loan": A performing mezzanine loan secured by pledges of 100% of the Equity Interests of the Mortgagor or an Affiliate of the Mortgagor under the related Whole Loan.

"Mezzanine Loan Documents": With respect to any Purchased Asset that is a Mezzanine Loan, the Mezzanine Note and all other documents executed in connection with, evidencing or governing such Mezzanine Loan including, without limitation, those documents which are required to be delivered to Custodian under the Custodial Agreement (which documents so required to be delivered to Custodian shall only be required to include, for the avoidance of doubt, copies of the Mortgage Loan Documents for the related Whole Loan).

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

"Mezzanine Related Mortgage Asset": An Eligible Asset or a Purchased Asset for which one or more related Mezzanine Loans exist and with respect to which the principal balance of such Mezzanine Loan(s) remains outstanding.

"Moody's": Moody's Investors Service, Inc. or, if Moody's Investors Service, Inc. is no longer issuing ratings, another nationally recognized rating agency reasonably acceptable to Buyer.

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

"Mortgage Asset File": The meaning specified in the Custodial Agreement.

"Mortgage Loan Documents": With respect to any Whole Loan, those documents executed in connection with and/or evidencing or governing such Whole Loan, including, without limitation those that are required to be delivered to Custodian under the Custodial Agreement.

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

"Mortgaged Property": (I) In the case of a Whole Loan or a 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 repayment of the debt evidenced by (a) a Mortgage Note (in the case of a Whole Loan) or (b) the Mortgage Note evidencing an interest in the Whole Loan to which such Senior Interest relates (in the case of a Senior Interest), in each case securing such Whole Loan and (II) in the case of a Mezzanine Loan, the real property (including all improvements, buildings, fixtures, building equipment and personal property thereon and all additions, alterations and replacements made at any time with respect to the foregoing) and all other collateral directly or indirectly owned by the Person whose Equity Interest is pledged as collateral security for such Mezzanine Loan.

"Mortgagee": The record holder of a Mortgage Note secured by a Mortgage.

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

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

"Net Cash Flow": With respect to any Purchased Asset and for any period, the net cash flow of the property related to such Purchased Asset for such period as underwritten by Buyer.

"Non-Recourse Indebtedness": With respect to any Person and any date, indebtedness of such Person as of such date for borrowed money in respect of which recourse for payment (except for customary exceptions for fraud, misapplication of funds, environmental indemnities, Insolvency Events, non-approved transfers or other events) is contractually limited to specific assets of such Person encumbered by a Lien securing such Indebtedness.

"Notice of Transfer/Pledge": With respect to each Asset or Purchased Asset that is subject to a co-lender agreement, participation agreement, intercreditor agreement or other similar agreement among creditors, a notice in form and substance acceptable to Buyer that is sufficient to satisfy the notice requirements and grant Buyer the rights of a "pledgee" (or similar defined term) under such agreement), in each case signed by Seller and the applicable transferors of such Purchased Asset and acknowledged by all notice parties thereto.

"Off-Balance Sheet Obligations": With respect to any Person and any date, to the extent not included as a liability on the balance sheet of such Person, all of the following with respect to such Person (determined on a consolidated basis) as of such date: (a) monetary obligations under any financing lease or so–called "synthetic," tax retention or off-balance sheet lease transaction that, upon the application of any Insolvency Laws, would be characterized as indebtedness, (b) monetary obligations under any sale and leaseback transaction that does not create a liability on the balance sheet of such Person, or (c) any other monetary obligation arising with respect to any other transaction that (i) is characterized as indebtedness for tax purposes but not for accounting purposes, or (ii) is the functional equivalent of or takes the place of borrowing but that does not constitute a liability on the balance sheet of such Person (for purposes of this clause (c), any transaction structured to provide Tax deductibility as Interest Expense of any dividend, coupon or other periodic payment will be deemed to be the functional equivalent of a borrowing).

"Originator": With respect to each Purchased Asset, the Person who originated or issued, as applicable, such Purchased Asset.

"Other Connection Taxes": With respect to Buyer, Taxes imposed as a result of a present or former connection between Buyer and the jurisdiction imposing such Taxes (other than a connection arising from Buyer having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under,

engaged in any other transaction pursuant to or enforced any Repurchase Document, or sold or assigned an interest in any Transaction or Repurchase Document).

"Other Taxes": Any and all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under any Repurchase Document or from the execution, delivery, performance, or enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Repurchase Document, except, in each case, any such Taxes that are Other Connection Taxes imposed with respect to an assignment.

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

"Participant Register": Defined in Section 18.08(g).

"Participation Certificate": With respect to any Participation Interest, the definitive certificate evidencing the interest of the holder of such certificate in the related Whole Loan.

"Participation Interest": A participation interest in a performing Whole Loan that meets each of the following criteria at all times: (i) either (x) represents the controlling interest in such Whole Loan and vests the holder thereof with control or consent rights with respect to all material decisions regarding such Whole Loan or (y) is an Eligible NCPPP, (ii) is evidenced by a Participation Certificate, (iii) represents an undivided participation interest in part of the underlying Whole Loan and its proceeds, (iv) represents a pass-through of a portion of the payments made on the underlying Whole Loan which lasts for the same length of time as such Whole Loan, (v) as to which there is no guaranty of payments to the holder of the related Participation Certificate or other form of credit support for such payments and (vi) the related participation agreement permits the holder of such Participation Interest to pledge and/or sell such Participation Interest to a qualified institutional lender.

"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.

"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 Party or any ERISA Affiliate or to which any Seller Party or any ERISA Affiliate makes, is obligated to make or has 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 Regulations": 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).

"Plan Assets": Defined in Section 7.08(b).

"Pledge Agreement": The Pledge Agreement, dated as of the date hereof, between Buyer and Pledgor, as amended, modified, waived, supplemented, extended, restated or replaced from time to time.

"Pledged Collateral": Defined in the Pledge Agreement.

"Pledgor": Seven Hills WF Finance LLC, a Delaware limited liability company, together with its successors and permitted assigns.

"Power of Attorney": Defined in Section 18.19.

"PPV":

(a) With respect to any Purchased Asset that is a Whole Loan, as of any date of determination, the ratio (expressed as a percentage) of (x) the approved maximum Purchase Price of such Purchased Asset to (y) the value of the Mortgaged Property securing such Whole Loan, as determined by Buyer in its sole discretion; and

(b) with respect to any Purchased Asset that is a Senior Interest, as of any date of determination, the ratio (expressed as a percentage) of (x) the approved maximum Purchase Price of such Purchased Asset to (y) the product of (i) the Fractional Interest Percentage with respect to such Purchased Asset and (ii) the value of the Mortgaged Property securing the related Whole Loan, as determined by Buyer in its sole discretion.

"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) $1/360^{th}$ of the Pricing Rate in effect for each Purchased Asset subject to such Transaction during such Pricing Period, times (ii) the outstanding Purchase Price for such Purchased Asset on each such day, or (b) for all Transactions outstanding, the sum of the amounts calculated in accordance with the preceding clause (a) for all Transactions.

"Pricing Margin": Defined in the Fee Letter, which definition is incorporated herein by reference.

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

"Pricing Rate": For any Pricing Period and any Transaction, the Applicable SOFR for such Transaction for such Pricing Period plus the applicable Pricing Margin for such

date; provided, that while an Event of Default is continuing, the Pricing Rate shall be the Default Rate.

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

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

"Proposed Representation Exception": With respect to each Purchased Asset, any representation or warranty (or portion thereof) set forth in this Agreement (including in Schedule 1) that is not satisfied with respect to such Purchased Asset, as set forth in the written list prepared by Seller and delivered to Buyer in connection with the related Transaction.

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

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

"Purchase Price": For any Purchased Asset, (a) as of the Purchase Date and, as initially set forth in the related Confirmation for such Purchased Asset, as such Confirmation may be updated by Buyer and Seller from time to time, an amount equal to the Asset Value of such Purchased Asset, and (b) as of any other date, the amount described in the preceding clause (a), (i) increased by any Future Funding Amounts disbursed by Buyer to Seller or the related borrower with respect to such Purchased Asset, (ii) reduced by any amount of Margin Deficit transferred by Seller to Buyer pursuant to Section 4.01 and applied to the Purchase Price of such Purchased Asset, (iii) reduced by any Principal Payments remitted to the Waterfall Account and which were applied to the Purchase Price of such Purchased Asset by Buyer pursuant to clauses *fifth* and *sixth* of Section 5.02 and pursuant to clause *fourth* of Section 5.03, (iv) reduced by any payments made by Seller in reduction of the outstanding Purchase Price, (v) increased by any Margin Excess reallocated to such Purchased Asset by Buyer pursuant to Section 4.01(b) and (vi) increased by any Additional Advances transferred to Seller by Buyer

pursuant to Section 3.11, in each case on such date of determination with respect to such Purchased Asset.

"Purchased Asset Documents": Individually or collectively, as the context may require, the related Mortgage Loan Documents, Mezzanine Loan Documents and/or the related Senior Interest Documents.

"Purchased Assets": (a) For any Transaction, each Asset sold by Seller to Buyer in such Transaction, and (b) for the Transactions in general, all Assets sold by Seller to Buyer, in each case including, to the extent relating to such Asset or Assets, all of Seller's right, title and interest in and to (i) Purchased Asset Documents, (ii) Servicing Rights, (iii) Servicing Files, (iv) mortgage guaranties and insurance (issued by Governmental Authorities or otherwise) and claims, payments and proceeds thereunder, (v) insurance policies, certificates of insurance and claims, payments and proceeds thereunder, (vi) the principal balance of such Assets, not just the amount advanced, (vii) amounts and property from time to time on deposit in the Waterfall Account or the Servicer Account, together with both the Waterfall Account and the Servicer Account 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 Seller's or the holder's interest therein, (ix) Income, (x) security interests of Seller in Derivatives Contracts entered into by Underlying Obligors, (xi) rights of Seller under any letter of credit, guarantee, warranty, indemnity or other credit support or enhancement, (xii) [reserved], (xiii) all of the Pledged Collateral, (xiv) all supporting obligations of any kind, and (xv) all proceeds related to the sale, securitization or other disposition thereof; provided, that (A) Purchased Assets shall not include any obligations of Seller or any Retained Interests, and (B) for purposes of the grant of security interest by Seller to Buyer set forth in Section 11.01, together with the other provisions of Article 11, Purchased Assets shall include all of the following: general intangibles, accounts, chattel paper, deposit accounts, securities accounts, instruments, securities, financial assets, uncertificated securities, security entitlements and investment property (as such terms are defined in the UCC) and replacements, substitutions, conversions, distributions or proceeds relating to or constituting any of the items described in the preceding clauses (i) through (xv).

"Rating Agency" or "Rating Agencies": Each of Fitch, Moody's and S&P.

"Reference Time": With respect to any setting of the then-current Benchmark, (a) if such Benchmark is the SOFR Average or Term SOFR, with respect to any setting thereof, then two (2) U.S. Government Securities Business Days prior to such date and (b) if such Benchmark is not the SOFR Average or Term SOFR, then the time determined by Buyer in accordance with the Benchmark Replacement Conforming Changes.

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

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

"Release": Any generation, treatment, use, storage, transportation, manufacture, refinement, handling, production, removal, remediation, disposal, presence or migration of Materials of Environmental Concern on, about, under or within all or any portion of any property or Mortgaged Property in violation of, or that would incur liability pursuant to, Environmental Law. "Releasing" and "Released" have correlative meanings.

"Release Amount": With respect to any Purchased Asset, an amount equal to the lesser of (i) the Release Percentage *multiplied by* the outstanding Purchase Price of the related Purchased Asset and (ii) the Aggregate Amount Outstanding.

"Release Percentage": Defined in the Fee Letter, which definition is incorporated herein by reference.

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

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

"REMIC": A REMIC, as that term is used in the REMIC Provisions.

"REMIC Provisions": Sections 860A through 860G of the Code.

"Remittance Date": The sixteenth (16^{th}) day of each month (or if such day is not a Business Day, the next following Business Day), or such other day as is mutually agreed to by Seller and Buyer.

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

"Representation Breach": Any representation, warranty, certification, statement or affirmation made or, pursuant to the terms of the Repurchase Documents, deemed made, by any Seller Party in any (i) Repurchase Document (including in Schedule 1) or (ii) in any certificate, notice, report or other document prepared by or on behalf of and delivered by a Seller Party pursuant to any Repurchase Document, that proves to be incorrect, false or misleading in any material respect when made or deemed made, in each case with respect to the representations set forth in Schedule I, as determined 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.

"Repurchase Date": For any Purchased Asset, the earliest to occur of (a) the Maturity Date, without giving effect to any unexercised extensions thereof, (b) any Early Repurchase Date therefor, (c) the Business Day on which Seller is to repurchase such Purchased Asset as specified by Seller and agreed to by Buyer in the related Confirmation, and (d) the date that is two (2) Business Days prior to the maturity date (under the related Purchased Asset Documents with respect to such Purchased Asset including, with respect to each Senior Interest that is a participation, the related Whole Loan) for such Purchased Asset, without giving effect to any extension of such maturity date, whether by modification, waiver, forbearance or otherwise (other than (i) extensions at the Underlying Obligor's option that do not require consent of the lender(s) thereunder pursuant to the terms of the related Purchased Asset Documents and (ii) extensions that have been approved by Buyer in writing in its sole discretion in accordance with the terms of this Agreement); provided that, solely with respect to this clause (d), the settlement date with respect to such Repurchase Date and Purchased Asset may occur two (2) Business Days thereafter as provided in Section 3.05).

"Repurchase Documents": Collectively, this Agreement, the Custodial Agreement, the Fee Letter, all Controlled Account Agreements, the Servicing Agreement and any related sub-servicing agreements, the Pledge Agreement, the Guarantee Agreement, the Power of Attorney, all Confirmations, all UCC financing statements, amendments and continuation statements filed pursuant to any other Repurchase Document, and all additional documents, certificates, agreements or instruments, the execution of which is required, necessary or incidental to or desirable for performing or carrying out any other Repurchase Document.

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

"Repurchase Price": For any Purchased Asset as of any date, an amount equal to the sum of (a) the outstanding Purchase Price as of such date, (b) the accrued and unpaid Price Differential for such Purchased Asset as of such date, (c) any accrued and unpaid fees and expenses and accrued indemnity amounts, late fees, default interest and breakage costs owed by Seller or Guarantor to Buyer or any of its Affiliates under this Agreement, any Repurchase Document or otherwise, (d) unless, simultaneously with such repurchase, all other amounts otherwise due and payable under this Agreement are being repaid in full in connection with the termination of this Agreement, any Release Amounts payable in connection with such Purchased Asset, (e) any applicable Exit Fee, then-currently due in connection with the related Purchased Asset, and (f) all other amounts due and payable as of such date by Seller or Guarantor to Buyer or any of its Affiliates under this Agreement, any Repurchase Document or otherwise.

"Requirements of Law": With respect to any Person or property or assets of such Person and as of any date, all of the following applicable thereto as of such date: all Governing Documents and all laws as in effect on such date (whether or not in effect on the Closing Date), statutes, rules, regulations, treaties, codes, ordinances, permits, certificates, orders and licenses of and interpretations by any Governmental Authority (including Environmental Laws, ERISA, Anti-Corruption Laws, Anti-Money Laundering Laws, Sanctions, regulations of the Board of Governors of the Federal Reserve System, and laws, rules and regulations relating to usury, licensing, truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy), judgments, decrees, injunctions, writs, awards or orders of any court, arbitrator or other Governmental Authority.

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

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

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

"Revolving Period Expiration Date": The earlier of (I) the Maturity Date and (II) March ~~11, 2026~~13, 2028, as such date may be extended pursuant to Section 3.06(c).

"Revolving Period Extension Option": Defined in Section 3.06(c).

"S&P": Standard and Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. or, if Standard & Poor's Ratings Services is no longer issuing ratings, another nationally recognized rating agency reasonably acceptable to Buyer.

"Sanction" or "Sanctions": Individually and collectively, any and all economic or financial sanctions, trade embargoes and anti-terrorism laws imposed, administered or enforced from time to time by: (a) the United States of America, including those administered by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC), the U.S. State Department, the U.S. Department of Commerce, or through any existing or future Executive Order, (b) the United Nations Security Council, (c) the European Union, (d) the United Kingdom, or (e) any other Governmental Authorities with jurisdiction over any Seller Party or any of their Affiliates.

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

"Seller": The Seller named in the preamble of this Agreement, together with its successors and assigns as permitted in accordance with the terms of this Agreement.

"Seller Party": Each of Seller, Pledgor and Guarantor.

"Senior Interest": Either a (a) senior or *pari passu* Participation Interest or (b) senior or *pari passu* "A" note in an "A/B", "A-1/A-2" or similar structure in a performing Whole Loan that represents the controlling interest in such Whole Loan and vests the holder thereof with control or consent rights with respect to all material decisions regarding such Whole Loan that are customary for holders of such interests.

"Senior Interest Documents": For any Senior Interest, (i) the Senior Interest Note or Participation Certificate, as applicable, (ii) any co-lender agreements, participation agreements and/or other intercreditor agreements or other documents governing or otherwise relating to such Senior Interest including, without limitation, those documents which are required to be delivered to Custodian under the Custodial Agreement and (iii) the original related Mortgage Loan Documents (or copies of such related Mortgage Loan Documents in the event the holder of such Senior Interest is not identified as the "agent" or otherwise entitled to possession of the original related Mortgage Loan Documents pursuant to the related co-lender agreement, participation agreement and/or other intercreditor agreement).

"Senior Interest Note": The original executed promissory note evidencing the related Senior Interest.

"Servicer": For each Purchased Asset, as determined in accordance with Article 17, either (a) Wells Fargo Bank, National Association, or its designee, (b) Trimont, or (c) any other servicer acceptable to Buyer, in each case servicing such Purchased Asset under a Servicing Agreement.

"Servicer Account": An account maintained by Servicer pursuant to the applicable Servicing Agreement, which shall be in Seller's name pursuant to the Servicing Agreement.

"Servicer Event of Default": With respect to a Servicer, (a) any event of default (or similar term as defined under the Servicing Agreement) beyond any applicable notice and cure periods under the Servicing Agreement or (b) any failure of such Servicer to be rated by a Rating Agency as an approved servicer of commercial mortgage loans.

"Servicer Notice": (i) With respect to any Purchased Assets for which Trimont is the Servicer, that certain Servicer Notice and Irrevocable Instruction Letter dated as of March 11,

2022 by and among Buyer, Tremont Realty Capital LLC, as "manager", Seller, as "owner", Trimont, as "servicer", as the same may be modified, amended and/or restated or supplemented from time to time, and (ii) with respect to any Purchased Assets for which any Person other than Trimont is the Servicer, a notice in form and substance acceptable to Buyer that has been duly executed by Buyer, Seller and such Servicer.

"Servicing Agreement": (i) With respect to any Purchased Assets for which Trimont is the Servicer, that certain Servicing and Asset Management Agreement dated as of March 11, 2022 by and among Tremont Realty Capital LLC, as "manager", Seller, as "owner", and Trimont, as "servicer", as the same may be modified, amended and/or restated or supplemented from time to time, and (ii) with respect to any Purchased Assets for which any Person other than Trimont is the Servicer, any other agreement entered into by Buyer (if applicable), Seller and such Servicer for the servicing of such Purchased Assets.

"Servicing File": With respect to any Purchased Asset, the file retained and maintained by Seller or the related Servicer, including the originals or copies of all Purchased Asset Documents and other documents and agreements (i) relating to such Purchased Asset and/or the related Whole Loan, (ii) relating to the origination and/or servicing and administration of such Purchased Asset and/or the related Whole Loan, or (iii) that are otherwise reasonably necessary for the ongoing administration and/or servicing of such Purchased Asset and/or the related Whole Loan or for evidencing or enforcing any of the rights of the holder of such Purchased Asset or holders of interests therein, including, to the extent applicable, all servicing agreements, files, documents, records, databases, insurance policies and certificates, appraisals, other closing documentation, payment history and other records relating to or evidencing the servicing of such Purchased Asset, which file shall be held by Seller and/or Servicer for and on behalf of Buyer.

"Servicing Rights": With respect to any Purchased Asset, all right, title and interest of any Seven Hills Party, or any other Person, in and to any and all of the following: (a) rights to service and/or sub-service, and collect and make all decisions with respect to, the Purchased Assets and/or any related Whole Loans, (b) amounts received by such Seven Hills Party, or any other Person, for servicing and/or sub-servicing the Purchased Assets and/or any related Whole Loans, (c) late fees, penalties or similar payments as compensation with respect to the Purchased Assets and/or any related Whole Loans, (d) agreements and documents creating or evidencing any such rights to service and/or sub-service the Purchased Assets (including, without limitation, all Servicing Agreements), together with all documents, files and records relating to the servicing and/or sub-servicing of the Purchased Assets and/or any related Whole Loans, and rights of such Seven Hills Party, or any other Person thereunder, (e) escrow, reserve and similar amounts with respect to the Purchased Assets and/or any related Whole Loans, (f) rights to appoint, designate and retain any other servicers, sub-servicers, special servicers, agents, custodians, trustees and liquidators with respect to the Purchased Assets and/or any related Whole Loans, and (g) accounts and other rights to payment related to the Purchased Assets and/or any related Whole Loans.

"Seven Hills Party": Each Seller Party, Manager and each subsidiary of Guarantor.

"Single Purpose Entity": A corporation, limited partnership or limited liability company that, since the date of its formation (unless otherwise indicated in this Agreement) and at all times on and after the date hereof, has complied with and shall at all times comply with the provisions of Article 9.

"SOFR": A rate per annum equal to the secured overnight financing rate as administered by the SOFR Administrator.

"SOFR Administrator": The Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"SOFR Administrator's Website": The website of the Federal Reserve Bank of New York, currently at http://www.newyorkfed.org, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

"SOFR Average": For any Pricing Period, the rate per annum determined by Buyer as the compounded average of SOFR over a rolling calendar day period of thirty (30) days ("30-Day SOFR Average"), for the Pricing Rate Determination Date as such rate is published by the SOFR Administrator on the SOFR Administrator's Website; provided, however, that (i) if as of 5:00 p.m. (New York City time) on any Pricing Rate Determination Date, such 30-Day SOFR Average has not been published on the SOFR Administrator's Website and a Benchmark Replacement Date with respect to SOFR Average has not occurred, then SOFR Average will be the 30-Day SOFR Average as published on the SOFR Administrator's Website for the first preceding U.S. Government Securities Business Day for which such 30-Day SOFR Average was published on the SOFR Administrator's Website so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Pricing Rate Determination Date and (ii) if the calculation of SOFR Average as determined as provided above (including pursuant to clause (i) of this proviso) results in a SOFR Average rate of less than the Floor, SOFR Average shall be deemed to be the Floor for all purposes of this Agreement and the other Repurchase Documents. Each calculation by Buyer of SOFR Average shall be conclusive and binding for all purposes, absent manifest error.

"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.

"Sub-Limit": Defined in the Fee Letter, which definition is incorporated herein by reference.

"Subsidiary": With respect to any Person, any corporation, partnership, limited liability company or other entity (heretofore, now or hereafter established) of which at least a majority of the securities or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other persons performing similar functions of such corporation, partnership, limited liability company or other entity (without regard to the occurrence of any contingency) is at the time directly or indirectly owned or Controlled by such Person or one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person, and shall include all Persons the accounts of which are consolidated with those of such Person pursuant to GAAP.

"Supplemental Escrow Letter": With respect to a Wet Mortgage Asset, an instruction letter delivered to the applicable title insurance company or other approved settlement agent which is in form and substance acceptable to Buyer in its reasonable discretion.

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

"Term Sheet": The letter and/or summary of terms and conditions dated August 9, 2021.

"Term SOFR": For any calculation with respect to a Transaction for which Term SOFR is the Applicable SOFR, the Term SOFR Reference Rate for a tenor comparable to the related Pricing Period on the day (such day, for purposes of this definition, the "Periodic Term SOFR Determination Day") that is two (2) U.S. Government Securities Business Days prior to the first day of such Pricing Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day; provided, further, that if Term SOFR determined as provided above shall ever be less than the Floor, then Term SOFR shall be deemed to be the Floor

"Term SOFR Administrator": CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by Buyer in its reasonable discretion).

"Term SOFR Reference Rate": The forward-looking term rate based on SOFR.

"Transaction": With respect to any Asset, the sale and transfer of such Asset from Seller to Buyer pursuant to the Repurchase Documents against the transfer of funds from Buyer to Seller representing the Purchase Price or any additional Purchase Price for such Asset.

"Transferor": The seller of an Asset under a Purchase Agreement.

"Trimont": Trimont Real Estate Advisors, LLC, together with its successors and assigns.

"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 on the related Confirmation: multifamily, retail, office, industrial, self-storage, data center, parking garage, laboratory or hospitality.

"UCC": The Uniform Commercial Code as in effect in the State of New York; provided, that, if, by reason of Requirements of Law, the perfection, effect on perfection or non-perfection or priority of the security interest in any Purchased Asset is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, then "UCC" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or priority.

"Unadjusted Benchmark Replacement": The applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

"Underlying Obligor": Individually and collectively, as the context may require, (a) in the case of a Purchased Asset that is a Whole Loan, the Mortgagor and each obligor and guarantor under such Purchased Asset, including (i) any Person who has not signed the related Mortgage Note but owns an interest in the related Mortgaged Property, which interest has been encumbered to secure such Purchased Asset, and (ii) any other Person who has assumed or guaranteed the obligations of such Mortgagor under the Purchased Asset Documents relating to such Purchased Asset, (b) in the case of a Purchased Asset that is a Senior Interest, the Mortgagor and each obligor and any other Person who has assumed or guaranteed the related Whole Loan, and (c) in the case of any Purchased Asset that is a Mezzanine Loan, (i) all underlying obligors with respect to the related Whole Loan and the owner of the related Mortgaged Property, (ii) the borrower under the related Mezzanine Loan, and (iii) any other Person who has assumed or guaranteed the obligation of such Mezzanine Loan borrower.

"Underwriting Package": With respect to one or more Assets, the internal document or credit committee memorandum setting forth all material information relating to an

Asset which is known by Seller or prepared by Seller for its evaluation of such Asset and includes all the information required to be set forth in the relevant Confirmation. In addition, the Underwriting Package shall include all of the following, to the extent applicable and available:

(a) all Purchased Asset Documents required to be delivered to Custodian under Section 2.01 of the Custodial Agreement (which may be drafts subject to continuing negotiation with the Underlying Obligor, with final, executed copies to be delivered prior to the purchase of the Asset);

(b) an Appraisal, together with a property condition report, a Phase I environmental report and, if appropriate, a seismic report;

(c) the current occupancy report, tenant stack and rent roll;

(d) at least two (2) years of property-level financial statements;

(e) the current financial statement of the Underlying Obligor;

(f) the Mortgage Asset File (which may be drafts subject to continuing negotiation with the Underlying Obligor, with final, executed copies to be delivered prior to the purchase of the Asset);

(g) third-party reports and agreed-upon procedures, letters and reports (whether drafts or final forms), site inspection reports, market studies and other due diligence materials prepared by or on behalf of or delivered to Seller (other than privileged information between a Seven Hills Party and its counsel);

(h) aging of accounts receivable and accounts payable;

(i) copies of all Purchased Asset Documents not otherwise required to be delivered pursuant to clause (a) above (which may be drafts subject to continuing negotiation with the Underlying Obligor, with final, executed copies to be delivered prior to the purchase of the Asset);

(j) such further documents or information as Buyer may request;

(k) [reserved];

(l) any other material documents or reports concerning the Purchased Assets prepared or executed by any Seller Party; and

(m) if the related Asset was acquired by Seller from a third party, all documents, instruments and agreements received in respect of the closing of the acquisition transaction under the related Purchase Agreement.

~~"Upsize Fee": Defined in the Fee Letter, which definition is incorporated herein by reference.~~

~~"Upsize Option": Defined in Section 3.06(b).~~

"U.S. Government Securities Business Day": Any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association, or any successor thereto, recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"U.S. Person": Any Person that is a "United States person" as defined in Section 7701(a)(30) of the Code.

"U.S. Special Resolution Regime": Each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

"U.S. Tax Compliance Certificate": Defined in Section 12.06(e).

"VCOC": A "venture capital operating company" within the meaning of Section 2510.3-101(d) of the Plan Asset Regulations.

"Waterfall Account": A segregated non-interest bearing account established at Deposit Account Bank, in the name of Seller, pledged to Buyer and subject to a Controlled Account Agreement.

"Wet Mortgage Asset": An Eligible Asset for which (i) the scheduled origination date of such Eligible Asset is the same as the proposed Purchase Date (except as approved by Buyer in its sole discretion) and (ii) a complete Mortgage Asset File has not been delivered to Custodian prior to the related Purchase Date.

"Whole Loan": A performing commercial real estate whole loan made to the related Underlying Obligor and secured primarily by a perfected, first priority Lien in the related underlying Mortgaged Property.

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 in each case, permitted by the Repurchase Documents. A reference to an agreement or

document is to the agreement or document as amended, restated, modified, novated, supplemented or replaced, except to the extent prohibited by any Repurchase Document. A reference to legislation or to a provision of legislation includes a modification, codification, replacement, amendment or reenactment of it, a legislative provision substituted for it and a rule, regulation or statutory instrument issued under it. A reference to writing includes a facsimile or electronic transmission and any means of reproducing words in a tangible and permanently visible form. A reference to conduct includes an omission, statement or undertaking, whether or not in writing. A Default or Event of Default exists until it has been cured or waived in writing by Buyer. The words "hereof," "herein," "hereunder" and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement, unless the context clearly requires or the language provides otherwise. The word "including" is not limiting and means "including without limitation." The word "any" is not limiting and means "any and all" unless the context clearly requires or the language provides otherwise. In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including," the words "to" and "until" each mean "to but excluding," and the word "through" means "to and including." The words "will" and "shall" have the same meaning and effect. A reference to day or days without further qualification means calendar days. A reference to any time means New York time. This Agreement may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and shall each be performed in accordance with their respective terms. Unless the context otherwise clearly requires, all accounting terms not expressly defined herein shall be construed in accordance with GAAP, and all accounting determinations, financial computations and financial statements required hereunder shall be made in accordance with GAAP, without duplication of amounts, and on a consolidated basis with all Subsidiaries. All terms used in Articles 8 and 9 of the UCC, and used but not specifically defined herein, are used herein as defined in such Articles 8 and 9. A reference to "fiscal year" and "fiscal quarter" means the fiscal periods of the applicable Person referenced therein. A reference to an agreement includes a security interest, guarantee, agreement or legally enforceable arrangement whether or not in writing. A reference to a document includes an agreement (as so defined) in writing or a certificate, notice, instrument or document, or any information recorded in electronic format. Whenever a Person is required to provide any document to Buyer under the Repurchase Documents, the relevant document shall be provided in writing (including, except for Mortgage Notes, Senior Interest Notes, and any other document required to be in an original form in order to preserve, record, grant or perfect Buyer's interest therein, in the form of a PDF document attached to an email message) or printed form unless Buyer requests otherwise. At the request of Buyer, the document shall be provided in electronic format or both printed and in electronic format. The Repurchase Documents are the result of negotiations between the Parties, have been reviewed by counsel to Buyer and counsel to Seller, and are the product of both Parties. No rule of construction shall apply to disadvantage one Party on the ground that such Party proposed or was involved in the preparation of any particular provision of the Repurchase Documents or the Repurchase Documents themselves. Except where otherwise expressly stated, 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, subject in all cases to the implied covenant of good faith and fair dealing, and the exercise of such discretion shall be final and conclusive. In addition, whenever Buyer has a decision or right of determination, opinion or request, exercises any right given to it to agree, disagree, accept, consent, grant waivers, take action or no action or to approve or disapprove (or any similar language or terms), or any arrangement or term is to be satisfactory or acceptable to or approved by Buyer (or any similar language or terms), the decision of Buyer with respect thereto shall be in the sole and absolute discretion of Buyer, subject in all cases to the implied covenant of good faith and fair dealing, and such decision shall be final and conclusive, except as may be otherwise specifically provided herein. If any action or payment hereunder shall be required to be taken or made on any day which is not a Business Day, such action or payment shall be taken or made on the next succeeding Business Day.

Section 2.03 Rates. Price Differential on Transactions denominated in Dollars or any other currency permitted hereunder (if any) may be determined by reference to a benchmark rate that is, or may in the future become, the subject of regulatory reform or cessation. Regulators have signaled the need to use alternative reference rates for some of these benchmark rates and, as a result, such benchmark rates may cease to comply with applicable laws and regulations, may be permanently discontinued or the basis on which they are calculated may change. Buyer does not warrant or accept any responsibility for, and shall not have any liability with respect to, (i) the continuation of, administration of, submission of, calculation of or any other matter related to any offered rate, the rates in any Benchmark, any component definition thereof or rates referenced in the definition thereof or with respect to any alternative, successor or replacement rate thereto (including any then-current Benchmark or any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement), as it may or may not be adjusted pursuant to Section 12.01, will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, such Benchmark or any other Benchmark prior to its discontinuance or unavailability, or (ii) the effect, implementation or composition of any Benchmark Replacement Conforming Changes. Buyer and its Affiliates or other related entities may engage in transactions that affect the calculation of a Benchmark, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto and such transactions may be adverse to Seller. Buyer may select information sources or services in its reasonable discretion to ascertain any Benchmark, any component definition thereof or rates referenced in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to Seller or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

ARTICLE 3

THE TRANSACTIONS

Section 3.01 Procedures.

(a) From time to time during the Revolving Period, Seller may request that Buyer enter into a proposed Transaction by sending notice to Buyer that: (i) describes the Transaction and each proposed Asset and any related underlying Mortgaged Property and other security therefor in reasonable detail, (ii) transmits a complete Underwriting Package for each proposed Asset, (iii) sets forth the Proposed Representation Exceptions, if any, with respect to each proposed Asset, and (iv) indicates the amount of all then-currently unfunded future funding obligations, and the portion thereof expected to be funded by Buyer under Section 3.10. Seller shall promptly deliver to Buyer any supplemental materials requested at any time by Buyer in connection with its consideration of whether to purchase such Asset. Buyer shall conduct such review of the Underwriting Package and each such Asset as Buyer determines appropriate. Buyer shall determine whether or not it is willing to purchase any or all of the proposed Assets, and if so, on what terms and conditions. In connection with such review and determination, Buyer may also consider the *pro forma* effect that acquiring the proposed Purchased Asset would have on the concentrations of specific asset categories. It is expressly agreed and acknowledged that Buyer is entering into the Transactions on the basis of all such representations and warranties and on the completeness and accuracy of the information contained in the applicable Underwriting Package, and any incompleteness or inaccuracies in the related Underwriting Package will only be acceptable to Buyer if disclosed in writing to Buyer by Seller in advance of the related Purchase Date, and then only if Buyer opts to purchase the related Purchased Asset from Seller notwithstanding such incompleteness and inaccuracies.

(b) Buyer shall give Seller notice of the date when Buyer has received the complete Underwriting Package, supplemental materials and any other documentation required pursuant to Section 3.01(a) or otherwise required under any Repurchase Documents. Buyer shall endeavor to communicate to Seller a preliminary non-binding determination of whether or not it is willing to purchase any or all of such Assets, and if so, on what terms and conditions, within ten (10) Business Days after such date, and if its preliminary determination is favorable, by what date Buyer expects to communicate to Seller a final non-binding indication of its determination. If Buyer has not communicated its final non-binding indication to Seller by such date, Buyer shall automatically and without further action be deemed to have determined not to purchase any such Asset.

(c) If Buyer communicates to Seller a final non-binding determination that it is willing to purchase any or all of such Assets, Seller shall deliver to Buyer a draft Confirmation for such Transaction, describing each such Asset and its proposed Purchase Date, Market Value, Applicable Percentage, Purchase Price and such other terms and conditions as Buyer may require prior to the Purchase Date. If Buyer requires changes to the draft Confirmation, Seller shall make such changes. If Buyer determines to enter into the Transaction on the terms described in the draft Confirmation, the Parties shall execute such Confirmation, which shall become

effective as the Confirmation of the Transaction upon Buyer's execution thereof. Buyer's approval of the purchase of an Asset on such terms and conditions as Buyer may require shall be evidenced only by its execution and delivery of the related Confirmation. For the avoidance of doubt, Buyer shall not (i) be bound by any preliminary or final non-binding determination referred to above, (ii) be deemed to have approved the purchase of an Asset by virtue of the approval or entering into by Buyer of a rate lock agreement, total return swap or any other agreement with respect to such Asset, or (iii) be obligated to purchase an Asset notwithstanding a Confirmation executed by the Parties unless and until all applicable conditions precedent in Article 6 have been satisfied or waived by Buyer.

(d) Each Confirmation, together with this Agreement, shall be conclusive evidence of the terms of the Transaction covered thereby, and shall be construed to be cumulative to the extent possible, but in no way shall be construed as evidence of Buyer's agreement subsequently to purchase additional amounts of, or other, Assets. If terms in a Confirmation are inconsistent with terms in this Agreement with respect to a particular Transaction, the Confirmation shall prevail. Whenever the Applicable Percentage or any other term of a Transaction (other than the Pricing Rate, Market Value and outstanding Purchase Price) with respect to an Asset is revised or adjusted in accordance with this Agreement, an amended and restated Confirmation in the form attached hereto as Exhibit A-2 (an "Amended and Restated Confirmation") reflecting such revision or adjustment and that is otherwise acceptable to the Parties shall be prepared by Seller and executed by the Parties.

(e) The fact that Buyer has conducted or has failed to conduct any partial or complete examination or any other due diligence review of any Asset or Purchased Asset shall in no way affect any rights Buyer may have under the Repurchase Documents or otherwise with respect to any representations or warranties or other rights or remedies thereunder or otherwise, including the right to determine at any time that such Asset or Purchased Asset is not an Eligible Asset.

(f) Without limiting the conditions precedent set forth in Section 6.02, no Transaction shall be entered into if (i) any Margin Deficit resulting in a Margin Call, Default, Event of Default, Market Disruption Event or Material Adverse Effect has occurred and is continuing or would exist as a result of such Transaction, (ii) the Repurchase Date for the Purchased Assets subject to such Transaction would be later than the Maturity Date, (iii) the proposed Purchased Asset does not qualify as an Eligible Asset, (iv) after giving effect to such Transaction, (A) the Aggregate Amount Outstanding would exceed the Maximum Amount, or (B) any Sub-Limit would be exceeded, (v) the Revolving Period Expiration Date has occurred, (vi) if Buyer determines not to enter into any such Transaction for any reason or for no reason, (vii) all Purchased Asset Documents have not been delivered to Custodian or a Bailee in accordance with the applicable provisions of this Agreement and the Custodial Agreement, (viii) the Facility Debt Yield Test is then-currently being breached, or (ix) the proposed Purchased Asset does not comply with the Maximum Purchased Asset PPV Requirement.

(g) Reserved.

(h) Notwithstanding any of the foregoing provisions of this Section 3.01 or any contrary provisions set forth in the Custodial Agreement, solely with respect to any Wet Mortgage Asset:

(i) Not later than 10:00 a.m. (New York City time) on the related Purchase Date, (A) Seller or Bailee shall deliver to Buyer by email executed .pdf copies of the Purchased Asset Documents, Bailee Agreement, Bailee Trust Receipt and Supplemental Escrow Letter (if applicable) and (B) Seller shall deliver the appropriate written third-party wire transfer instructions to Buyer. If Buyer has determined that all other applicable conditions in this Agreement, including without limitation those set forth in Section 6.02 hereof, have been satisfied, and otherwise has agreed to purchase the related Wet Mortgage Asset, Buyer shall (I) execute and deliver a .pdf copy of the related Confirmation to Seller and Bailee via email and (II) wire funds in the amount of the related Purchase Price for the related Wet Mortgage Asset in accordance with the wire transfer instructions that were previously delivered to Buyer by Seller or are in the Supplemental Escrow Letter, as applicable.

(ii) Within five (5) Business Days after the applicable Purchase Date with respect to any Wet Mortgage Asset, Seller or Bailee shall deliver (A) to Custodian, the complete Mortgage Asset File with respect to such Wet Mortgage Asset, pursuant to and in accordance with the terms of the Custodial Agreement, and (B) to Buyer, the complete Underwriting Package with respect to the related Wet Mortgage Assets purchased by Buyer. For the avoidance of doubt (A) Seller shall, in all cases, deliver to Custodian each Basic Mortgage Asset Document within five (5) Business Days of the applicable Purchase Date and (B) Buyer may, but shall not obligated to, consent to such later date for delivery of any part of the Mortgage Asset File as Buyer sees fit, in Buyer's sole discretion.

(i) In the event that, due to a delay caused solely by the public recording office where such document or instrument has been delivered for recordation, Seller cannot deliver or cause to be delivered on the applicable Purchase Date (or with respect a Wet Mortgage Asset, within the time period provided in Section 3.01(h)(ii)) any Purchased Asset Document or Interim Assignment Document, if any, that is required by its terms to be recorded, then Seller shall deliver to Custodian (x) on the applicable Purchase Date, a copy thereof (which delivery shall be deemed certified by Seller to be a true and complete copy of the original thereof submitted for recording) and (y) within ninety (90) days of the applicable Purchase Date, either the original of such document, or a photocopy thereof, with official evidence of submission for recording (including stamp filed copies, if applicable) thereon.

(j) In addition to the foregoing provisions of this Section 3.01, solely with respect to any Mezzanine Related Mortgage Asset owned by Seller that is being purchased by Buyer hereunder, Seller shall (i) as part of the Underwriting Package, provide Buyer with such information regarding the related Mezzanine Loans as Buyer may request including, without limitation, any related intercreditor, co-lender or similar agreements, and (ii) in connection with the purchase thereof by Buyer, convey, transfer and assign to Buyer, for no additional

consideration from Buyer, each Mezzanine Loan relating to such Mezzanine Related Mortgage Asset owned by Seller, Guarantor or any other Seven Hills Party to Buyer, in form and substance satisfactory to Buyer, together with all other documents necessary or desirable to effect such collateral assignment, in each case as determined by Buyer and its counsel in their discretion.

Section 3.02 Transfer of Purchased Assets; Servicing Rights. On the Purchase Date for each Purchased Asset, and subject to the satisfaction of all applicable conditions precedent in Article 6, (a) ownership of and title to such Purchased Asset shall be transferred to and vest in Buyer or its designee against the simultaneous transfer of the Purchase Price to the account of Seller specified in Annex 1 (or if not specified therein, in the related Confirmation or as directed by Seller), and (b) Seller hereby sells, transfers, conveys and assigns to Buyer on a servicing-released basis all of Seller's right, title and interest (except with respect to any Retained Interests) in and to such Purchased Asset, together with all related Servicing Rights. Subject to this Agreement, during the Revolving Period, Seller may sell to Buyer, repurchase from Buyer and re-sell Eligible Assets to Buyer, but Seller may not substitute other Eligible Assets for Purchased Assets. Buyer has the right to designate each Servicer of the Purchased Assets. The initial Servicer shall be Trimont Real Estate Advisors, LLC. The Servicing Rights and other servicing provisions under this Agreement are not severable from or to be separated from the Purchased Assets under this Agreement, and such Servicing Rights and other servicing provisions of this Agreement constitute (a) "related terms" under this Agreement within the meaning of Section 101(47)(A)(i) of the Bankruptcy Code and/or (b) a security agreement or other arrangement or other credit enhancement related to the Repurchase Documents. To the extent any additional limited liability company is formed by a Division of Seller (and without prejudice to Sections 8.01, 8.03 and 9.01 hereof), Seller shall cause each such Division LLC to sell, transfer, convey and assign to Buyer on a servicing released basis and for no additional consideration all of each such Division LLC's right, title and interest in and to each Purchased Asset, together with all related Servicing Rights in the same manner and to the same extent as the sale, transfer, conveyance and assignment by Seller on each related Purchase Date of all of Seller's right, title and interest in and to each Purchased Asset, together with all related Servicing Rights.

Section 3.03 Maximum Amount. The Aggregate Amount Outstanding as of any date of determination shall not exceed the Maximum Amount. If the Aggregate Amount Outstanding as of any date of determination exceeds the Maximum Amount, Seller shall immediately pay to Buyer an amount necessary to reduce the Aggregate Amount Outstanding to an amount equal to or less than the Maximum Amount.

Section 3.04 Early Repurchase.

(a) Voluntary Early Repurchase.

(i) Seller may terminate any Transaction with respect to any or all Purchased Assets and repurchase such Purchased Assets on any date prior to the then-applicable Repurchase Date; provided, that (a) Seller irrevocably notifies Buyer at least three (3) Business Days before the proposed Early Repurchase Date identifying the

Purchased Asset(s) to be repurchased and the Repurchase Price thereof, (b) no Margin Deficit resulting in a Margin Call, Default or Event of Default has occurred and is continuing or would exist as a result of such repurchase (in each case, other than a Margin Deficit resulting in a Margin Call, Default or Event of Default that would be repaid or cured by such repurchase), there are no other Liens on Seller's interest in the remaining Purchased Assets or Pledged Collateral other than Liens granted pursuant to the Repurchase Documents, (c) such repurchase would not cause Seller to violate the Facility Debt Yield Test, (d) Seller pays to Buyer any Exit Fee due in accordance with Section 2 of the Fee Letter and (e) Seller thereafter complies with Section 3.05. Notwithstanding the foregoing, should any Margin Deficit resulting in a Margin Call exist after giving effect to any repurchase under this Section 3.04, Seller shall also pay the amount of each related Margin Deficit to Buyer at the same time that Seller pays the related Repurchase Price to Buyer hereunder.

(ii) Notwithstanding any provision to the contrary contained elsewhere in any Repurchase Document, at any time during the existence of any unsatisfied Margin Deficit that is subject to a Margin Call, or an uncured monetary Default or Event of Default that would not otherwise be fully cured immediately after giving effect to the related repurchase, Seller shall not be permitted to effect the repurchase and release of a Purchased Asset in connection with (i) a full payoff of all amounts due in respect of such Purchased Asset by the Underlying Obligor or (ii) a sale of such Purchased Asset to an unaffiliated third-party purchaser purchasing on an arm's length basis, unless, in each case, Seller pays directly to Buyer (a) if an Event of Default is continuing, an amount equal to 100% of the net proceeds received by Seller in connection with such payoff or third-party sale and (b) if a monetary Default or a Margin Deficit that is subject to a Margin Call is continuing, an amount equal to the sum of the Repurchase Price of such Purchased Asset plus a portion of the net proceeds received by Seller in connection with such payoff or third-party sale in an amount sufficient to cure such monetary Default or eliminate such Margin Deficit, as applicable. The portion of 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, as determined in its discretion, under this Agreement.

(b) Mandatory Early Repurchase. In addition to other rights and remedies of Buyer under the Repurchase Documents, Seller shall, in accordance with the procedures set forth in this Section 3.04 and Section 3.05 repurchase any Purchased Asset with respect to which a Mandatory Early Repurchase Event has occurred within three (3) Business Days of the date on which Buyer notifies Seller of such Mandatory Early Repurchase Event.

Section 3.05 Repurchase. On the Repurchase Date for each Purchased Asset, Seller shall transfer to Buyer the Repurchase Price for such Purchased Asset as of the Repurchase Date, and, so long as no monetary Default or Event of Default has occurred and is continuing and no unsatisfied Margin Deficit resulting in a Margin Call exists (in each case, other than those that will be cured by, or simultaneously with, the repurchase of the applicable

Purchased Asset), Buyer shall transfer to Seller such Purchased Asset, whereupon such Transaction with respect to such Purchased Asset shall terminate; provided, however, that, with respect to any Repurchase Date that occurs on the second Business Day prior to the maturity date (as defined under the related Purchased Asset Documents with respect to such Purchased Asset) for such Purchased Asset by reason of clause (d) of the definition of "Repurchase Date", settlement of the payment of the Repurchase Price and such amounts may occur up to the second Business Day after such Repurchase Date; provided, further, that Buyer shall have no obligation to transfer to Seller, or release any interest in, such Purchased Asset until Buyer's receipt of payment in full of the Repurchase Price therefor. So long as no monetary Default or Event of Default (in each case, other than those that will be cured by, or simultaneously with, the repurchase of the applicable Purchased Asset) 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 (in accordance with the terms of the Custodial Agreement) to release to Seller the Purchased Asset Documents for such Purchased Asset and, to the extent any UCC financing statement filed against Seller specifically identifies such Purchased Asset, Buyer shall deliver an amendment thereto or termination thereof evidencing the release of such Purchased Asset from Buyer's security interest therein. Any such transfer or release shall be without recourse to Buyer and without representation or warranty by Buyer. Any Income with respect to such Purchased Asset received by Servicer, Buyer or Deposit Account Bank after payment of the Repurchase Price therefor shall be remitted to Seller. Notwithstanding the foregoing, Seller shall repurchase all Purchased Assets no later than the Maturity Date by paying to Buyer the outstanding Repurchase Price therefor and all other outstanding Repurchase Obligations.

Section 3.06 Maturity Date Extension Options; Revolving Period Extension Option ~~and Upsize Option~~.

(a) Maturity Date Extension Options. Seller shall have ~~one~~three (~~1~~3) ~~option~~separate, consecutive options to extend the then-current Maturity Date for a period of one (1) year (each such period, an "Extension Period"), which may be exercised by Seller by written notice delivered to Buyer no earlier than ninety (90) days and no later than thirty (30) days before the then-current Maturity Date. Any such extension shall be subject to the satisfaction of the following conditions, as determined by Buyer in its reasonable discretion (each, an "Extension Condition"): (i) no monetary Default, material non-monetary Default or Event of Default shall have occurred and be continuing, (ii) no Margin Deficit resulting in a Margin Call shall be outstanding, (iii) Seller shall have made a timely written request to extend the then-current Maturity Date as provided in this Section 3.06(a), (iv) Seller shall be in compliance with the Facility Debt Yield Test, (v) [reserved], and (vi) if requested by Buyer, Seller shall have delivered to Buyer a new or updated Beneficial Ownership Certification, as applicable, in relation to Seller to the extent that Seller qualifies as a "legal entity customer" under the Beneficial Ownership Regulation. If the Extension Conditions are not fully satisfied as of the then-current Maturity Date, then Seller shall have no right to extend the then-current Maturity Date and any pending request to extend the then-current Maturity Date shall be deemed to be

denied. For the avoidance of doubt, an extension of the Maturity Date pursuant to this Section 3.06(a) (i) shall become effective on the then-current Maturity Date, and (ii) shall not extend the Repurchase Date of any Transaction (other than with respect to clause (a) of the definition of "Repurchase Date"). No extension of the then-current Maturity Date shall be effective unless and until Seller has paid the Extension Fee to Buyer. In connection with any Extension Period effectuated in accordance with this Section 3.06(a), Buyer and Seller shall execute and deliver an extension confirmation letter in form and substance acceptable to Buyer in its sole discretion (each such extension confirmation letter, an "Extension Confirmation Letter").

~~(b) Maximum Amount Upsize Option. Seller shall have a one-time right to request an increase of the Maximum Amount to $250,000,000 (the "Upsize Option") by written notice delivered to Buyer not less than five (5) Business Days prior to the proposed effective date of such Upsize Option. Seller's request to exercise the Upsize Option may be approved or denied by Buyer in its sole discretion, and any such request will be deemed to be denied unless each of the following conditions is satisfied as of the proposed effective date of such Upsize Option, as determined by Buyer in its sole discretion: (i) the Revolving Period Expiration Date shall not have occurred, (ii) [reserved], (iii) no monetary Default, material non-monetary Default or Event of Default shall have occurred and be continuing, (iv) no Margin Deficit resulting in a Margin Call shall be outstanding, (v) Seller shall be in compliance with the Facility Debt Yield Test, (vi) [reserved], and (vii) if requested by Buyer, Seller shall have delivered to Buyer a new or updated Beneficial Ownership Certification, as applicable, in relation to Seller to the extent that Seller qualifies as a "legal entity customer" under the Beneficial Ownership Regulation. No Upsize Option shall be effective unless and until Seller has paid the Upsize Fee to Buyer.~~

(b) Reserved

(c) Revolving Period Extension Option. Seller shall have two (2) separate, consecutive options (each such option, a "Revolving Period Extension Option") to extend the then-current Revolving Period Expiration Date for a period of one (1) year, which may be exercised by Seller simultaneously with the exercise by Seller of its first and second (to the extent the Revolving Period Expiration Date was previously extended in connection with the first option to extend the Maturity Date) options to extend the Maturity Date in the manner set forth in Section 3.06(a). The request of Seller to exercise the Revolving Period Extension Option may be approved or denied by Buyer, in its sole and absolute discretion. Seller's request to exercise the Revolving Period Extension Option will be deemed to be denied if any of the Extension Conditions set forth in Section 3.06(a) are not satisfied, as determined by Buyer in Buyer's reasonable discretion. In connection with any Revolving Period Extension Option requested by Seller, and approved by Buyer, in accordance with this Section 3.06(c), Buyer's approval of such Revolving Period Extension Option shall be set forth in the related Extension Confirmation Letter for the corresponding Extension Period.

Section 3.07 Payment of Price Differential and Fees.

(a) Notwithstanding that Buyer and Seller intend that each Transaction hereunder constitute a sale to Buyer of the Purchased Assets subject thereto, Seller shall pay to Buyer the accrued value of the Price Differential for each Purchased Asset on each Remittance Date. In addition thereto, interest shall accrue on all past due (after taking into account all applicable notice and cure periods) amounts otherwise due from Seller to Buyer under this Agreement at a rate equal to the Pricing Rate. Buyer shall give Seller notice of the Price Differential and any fees and other amounts due under the Repurchase Documents on or prior to the second (2nd) Business Day preceding each Remittance Date; provided, that Buyer's failure to deliver such notice shall not affect (i) the accrual of such obligations in accordance with this Agreement or (ii) Seller's obligation to pay such amounts. If the Price Differential includes any estimated Price Differential, Buyer shall recalculate such Price Differential after the Remittance Date and, if necessary, make adjustments to the Price Differential amount due on the following Remittance Date.

(b) The terms and conditions related to the payment by Seller and Guarantor to Buyer of certain fees and expenses are set forth in Section 2 of the Fee Letter.

Section 3.08 Payment, Transfer and Custody.

(a) Unless otherwise expressly provided herein, all amounts required to be paid or deposited by any Seller Party or any other Person under the Repurchase Documents shall be paid or deposited in accordance with the terms hereof no later than 3:00 p.m. on the Business Day when due, in immediately available Dollars and without deduction, set-off or counterclaim, and if not received before such time shall be deemed to be received on the next Business Day. Whenever any payment under the Repurchase Documents shall be stated to be due on a day other than a Business Day, such payment shall be made on the next following Business Day, and such extension of time shall in such case be included in the computation of such payment. Each Seller Party shall, to the extent permitted by Requirements of Law, pay to Buyer interest in connection with any amounts not paid when due (after taking into account all applicable notice and cure periods) under the Repurchase Documents, which interest shall be calculated at a rate equal to the Default Rate, until all such amounts are received in full by Buyer. Amounts payable to Buyer and not otherwise required to be deposited into the Servicer Account or Waterfall Account shall be deposited into an account of Buyer. Seller shall have no rights in, rights of withdrawal from, or rights to give notices or instructions regarding Buyer's account or the Waterfall Account; provided that all disbursements from the Servicer Account shall be made by Servicer, and all disbursements from the Waterfall Account shall be made by Buyer, as applicable, in accordance with the terms of the Servicing Agreement, this Agreement and the other Repurchase Documents.

(b) Any Purchased Asset Documents not delivered to Buyer or Custodian on the relevant Purchase Date and subsequently received or held by or on behalf of Seller are and shall be held in trust by Seller or its agent for the benefit of Buyer as the owner thereof until so delivered to Buyer or Custodian. Seller or its agent shall maintain a copy of such Purchased

Asset Documents and the originals, if any, of the Purchased Asset Documents not delivered to Buyer or Custodian. The possession of Purchased Asset Documents by Seller or its agent is in a custodial capacity only at the will of Buyer for the sole purpose of assisting the related Servicer with its duties under the Servicing Agreement. Each Purchased Asset Document retained or held by or on behalf of Seller or its agent shall be segregated on Seller's books and records from the other assets of Seller or its agent, and the books and records of Seller or its agent shall be marked to reflect clearly the sale of the related Purchased Asset to Buyer on a servicing-released basis. Seller or its agent shall release its custody of the Purchased Asset Documents only in accordance with written instructions from Buyer, unless such release is required as incidental to the servicing of the Purchased Assets by Servicer or is in connection with a repurchase of any Purchased Asset by Seller, in each case in accordance with the Custodial Agreement.

Section 3.09 Repurchase Obligations Absolute. All amounts payable by Seller under the Repurchase Documents shall be paid without notice (except for such notices expressly agreed to be provided under the Repurchase Documents), demand, counterclaim, set-off, deduction or defense (as to any Person and for any reason whatsoever) and without abatement, suspension, deferment, diminution or reduction (as to any Person and for any reason whatsoever), and the Repurchase Obligations shall not be released, discharged or otherwise affected, except as expressly provided herein, by reason of: (a) any damage to, destruction of, taking of, restriction or prevention of the use of, interference with the use of, title defect in, encumbrance on or eviction from, any Purchased Asset, the Pledged Collateral or related Mortgaged Property, (b) any Insolvency Proceeding relating to Seller, any Underlying Obligor or any other loan participant under a Senior Interest, or any action taken with respect to any Repurchase Document, Purchased Asset Document by any trustee or receiver of Seller, any Underlying Obligor or any other loan participant under a Senior Interest, or by any court in any such proceeding, (c) any claim that Seller has or might have against Buyer under any Repurchase Document or otherwise, (d) any default or failure on the part of Buyer to perform or comply with any Repurchase Document or other agreement with Seller, (e) the invalidity or unenforceability of any Purchased Asset, Repurchase Document or Purchased Asset Document, or (f) any other occurrence whatsoever, whether or not similar to any of the foregoing, and whether or not Seller has notice or Knowledge of any of the foregoing. The Repurchase Obligations shall be full recourse to Seller and shall be recourse to Guarantor to the extent 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 Future Funding Transactions. Buyer's agreement to enter into any Future Funding Transaction is subject to the satisfaction of the following conditions precedent, both immediately prior to entering into such Future Funding Transaction and also after giving effect to the consummation thereof:

(i) Seller shall give Buyer written notice of each Future Funding Transaction, together with a draft of the Amended and Restated Confirmation signed by a Responsible Officer of Seller. Each Amended and Restated Confirmation shall identify the related Purchased Asset, shall identify Buyer and Seller, shall set forth the requested

Future Funding Amount, and shall be executed by both Buyer and Seller; provided, however, that Buyer shall not be liable to Seller if it inadvertently acts on an Amended and Restated Confirmation that has not been signed by a Responsible Officer of Seller. Each Amended and Restated 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 an Amended and Restated Confirmation are inconsistent with terms in this Agreement with respect to a particular Future Funding Transaction such Amended and Restated Confirmation shall prevail.

(ii) For each proposed Future Funding Transaction, no less than seven (7) Business Days prior to the proposed Future Funding Date, Seller shall deliver to Buyer a Future Funding Request Package. Buyer shall have the right to conduct an additional due diligence investigation of the Future Funding Request Package and/or the related Purchased Asset as Buyer determines. Buyer shall be entitled to make a determination, in the exercise of its sole and absolute discretion whether, in the case of a Future Funding Transaction, it shall or shall not advance the requested Future Funding Amount. If Buyer determines not to advance a requested Future Funding Amount with respect to any Purchased Asset, Seller shall promptly satisfy all future funding obligations of Seller with respect to each Purchased Asset as and when required pursuant to the related Purchased Asset Documents, together with the terms of this Agreement. Prior to the approval of each proposed Future Funding Transaction by Buyer, Buyer shall have determined, in its sole and absolute discretion, that (A) all of the applicable conditions precedent for a Transaction, as described in Section 6.02, have been met by Seller, (B) the Facility Debt Yield Test is in compliance both before and after giving effect to the proposed Future Funding Transaction, (C) the related Purchased Asset is not a Defaulted Asset, (D) the related Purchased Asset satisfies the Maximum Purchased Asset PPV Requirement both before and after giving effect to the proposed Future Funding Transaction, (E) for each Future Funding Transaction subsequent to the first Future Funding Transaction requested by Seller during the then-current calendar quarter with respect to the related Purchased Asset, the requested Future Funding Amount equals or exceeds $250,000, and (F) all related conditions precedent to the making of a future advance set forth in the related Purchased Asset Documents have been satisfied. Notwithstanding any other provision herein or otherwise, Buyer shall have no obligation to enter into any Future Funding Transaction (even with respect to any Purchased Asset identified on the applicable Purchase Date as having future funding obligations). Any determination to enter into a Future Funding Transaction shall be made in Buyer's sole and absolute discretion.

(iii) Upon the approval by Buyer of a particular Future Funding Transaction, Buyer shall deliver to Seller a signed copy of the related Amended and Restated Confirmation described in clause (i) above, on or before the related Future Funding Date. On the related Future Funding Date, which shall occur no later than three (3) Business Days after the final approval of the Future Funding Transaction by Buyer, Buyer shall remit the related Future Funding Amount to Seller to apply to the applicable future

funding to be made to the Underlying Obligor or to reimburse Seller for a portion of a future funding previously made by Seller to the Underlying Obligor.

Section 3.11 Additional Advances. At any time prior to the Revolving Period Expiration Date, if Margin Excess exists (as determined by Buyer in its sole discretion) with respect to a Purchased Asset, Seller may, upon the delivery of prior written notice to Buyer (which may be via email or in physical format), to be received by no later than five (5) Business Days immediately preceding the date of the requested Additional Advance, submit to Buyer a request (an "Additional Advance Notice") for Buyer to transfer additional funds to Seller to increase the Purchase Price for such Purchased Asset (an "Additional Advance") up to the amount of such Margin Excess for such Purchased Asset. Buyer shall fund such Additional Advance on the date set forth on such Additional Advance Notice so long as, immediately prior to and immediately after giving effect to the funding of such Additional Advance, (i) each of the conditions precedent set forth in Section 6.02 have been satisfied, (ii) the Aggregate Amount Outstanding does not exceed the Maximum Amount, (iii) the requested Additional Advance would not violate a Sub-Limit and (iv) the amount of such Additional Advance would not cause the Repurchase Price of such Purchased Asset (without giving effect to any Price Differential that has accrued but is not yet due and payable hereunder) to exceed the maximum approved Purchase Price for such Purchased Asset. In connection with any such Additional Advance, Buyer and Seller shall execute an Amended and Restated Confirmation setting forth the new outstanding Purchase Price and Applicable Percentage with respect to such Transaction.

ARTICLE 4

MARGIN MAINTENANCE

Section 4.01 Margin Deficit.

(a) With respect to any Purchased Asset or all Purchased Assets, as applicable, if on any date either of the following has occurred: (I) for any individual Purchased Asset, the Asset Value is less than the outstanding Purchase Price for such Purchased Asset as of such date, or (II) for all Purchased Assets, the Facility Debt Yield Test is not satisfied (the amount of any shortfall under clause (I) or the amount necessary to satisfy clause (II), a "Margin Deficit"), then Buyer shall have the right from time to time as determined in its sole discretion to make a margin call on Seller (a "Margin Call") in an amount equal to the amount of the related Margin Deficit; provided that, prior to the occurrence and continuance of a Default or an Event of Default, Buyer shall only make a Margin Call if the related Margin Deficit exceeds, or if the aggregate of all Margin Deficits collectively exceeds, the applicable Material Impairment Threshold.

(b) Within three (3) Business Days after receiving a Margin Call from Buyer, Seller shall satisfy such Margin Call in full by any one or more of the following methods: (i) a transfer of cash from Seller to Buyer to reduce the Purchase Price of the related Purchased Asset(s), (ii) a repurchase by Seller of the related Purchased Asset(s) at the related Repurchase

Price(s) thereof, or (iii) subject to the terms and conditions of this Section 4.01(b), a reallocation by Buyer of available Margin Excess to the related Purchased Asset(s). If Seller believes that Margin Excess exists with respect to any other Purchased Asset(s) at the time Buyer makes a Margin Call, Seller may submit a written request to Buyer to reallocate such Margin Excess to the Purchased Asset(s) that are the subject of such Margin Call. Any such request (i) shall identify the Purchased Assets that are the subject of such request, (ii) shall be delivered to Buyer at least one (1) Business Day prior to the date on which the related Margin Call is due, (iii) shall include the following information and such back-up calculations as Buyer may require: (A) the amount of Margin Excess that Seller requests be reallocated, (B) the Purchase Price of such Purchased Assets both before and after giving *pro forma* effect to such reallocation and (C) the amount of the related Margin Deficit both before and after giving *pro forma* effect to such reallocation, and (iv) shall include a certification from Seller that no Default (except as would be cured by such reallocation) or Event of Default has occurred and is continuing. Upon Buyer's determination in its sole discretion that Margin Excess exists and that the conclusions and calculations set forth in Seller's request comply with the requirements set forth above, Buyer shall reallocate the related Margin Excess by increasing the Purchase Price of the Purchased Asset(s) with Margin Excess and decreasing the Purchase Price of the Purchased Asset(s) with Margin Deficit; provided that if the Margin Call is not satisfied in full pursuant to such reallocation, Seller shall transfer sufficient cash to Buyer to satisfy the Margin Call and eliminate the related Margin Deficit. Immediately after the satisfaction by Seller of each Margin Call hereunder, Seller and Buyer shall execute and deliver an Amended and Restated Confirmation.

(c) Buyer's election not to deliver, or to forbear from delivering a margin deficit notice at any time there is a Margin Deficit shall not waive or be deemed to waive the Margin Deficit or in any way limit, stop or impair Buyer's right to deliver a margin deficit notice at any time when the same or any other Margin Deficit exists. Buyer's rights relating to Margin Deficits under this Section 4.01 are cumulative and in addition to and not in lieu of any other rights of Buyer under the Repurchase Documents or Requirements of Law.

(d) All cash transferred to Buyer pursuant to this Section 4.01 shall be deposited into the Waterfall Account, except as directed by Buyer, and notwithstanding any provision in Section 5.02 to the contrary, shall be applied as determined by Buyer to reduce the related Margin Deficit until the Margin Call has been satisfied in full.

ARTICLE 5

APPLICATION OF INCOME

Section 5.01 Waterfall Account; Servicer Account. The Waterfall Account shall be established at Deposit Account Bank. Buyer shall have sole dominion and control (including, without limitation, "control" within the meaning of Section 9-104(a)(2) of the UCC) over the Waterfall Account pursuant to the terms of the Controlled Account Agreement. Neither Seller nor any Person claiming through or under Seller shall have any claim to or interest in either the Waterfall Account or the Servicer Account. All Income received by Seller or Servicer in respect

of the Purchased Assets, shall be transferred, subject to the applicable provisions of the Servicing Agreement, into the Waterfall Account no later than two (2) Business Days prior to the applicable Remittance Date; provided, however, that (i) any Principal Payments (excluding any scheduled monthly amortization payments) received by Seller in respect of the Purchased Assets shall be deposited into the Waterfall Account within two (2) Business Days of receipt thereof and (ii) any Principal Payments (excluding any scheduled monthly amortization payments) received by Servicer in respect of the Purchased Assets shall be deposited into the Waterfall Account within two (2) Business Days after deposit into the Servicer Account. All such Income, once deposited in the Waterfall Account, shall be applied to and remitted by Deposit Account Bank in accordance with this Article 5.

Section 5.02 Before an Event of Default. If no Event of Default has occurred and is continuing, all Income described in Section 5.01 and deposited into the Waterfall Account during each Pricing Period shall be applied by Deposit Account Bank on the next following Remittance Date in the following order of priority:

first, to pay to Buyer an amount equal to the Price Differential accrued with respect to all Purchased Assets as of such Remittance Date;

second, to pay to Buyer an amount equal to all fees, expenses and Indemnified Amounts then due and payable from the Seller Parties to Buyer under the Repurchase Documents;

third, to pay to Buyer an amount sufficient to eliminate any outstanding Margin Deficit which has resulted in a Margin Call (without limiting Seller's obligation to satisfy a Margin Deficit in a timely manner as required by Section 4.01);

fourth, to pay any custodial and servicing fees and expenses due and payable under the Custodial Agreement and any Servicing Agreement;

fifth, to pay to Buyer, the Applicable Percentage of any Principal Payments (to the extent actually deposited into the Waterfall Account) to be applied to reduce the outstanding Purchase Price of the related Purchased Assets;

sixth, to pay to Buyer all Release Amounts, if any, to be applied by Buyer to reduce the then-current unpaid Repurchase Prices of one or more of the remaining Purchased Assets, as Buyer shall determine in its discretion;

seventh, to pay to Buyer any other amounts due and payable from the Seller Parties to Buyer under the Repurchase Documents; and

eighth, to pay to Seller any remainder for its own account, to an account designated by Seller, subject, however, to the covenants and other requirements of the Repurchase Documents; provided that, if any Default has occurred and is continuing on such Remittance Date, all amounts otherwise payable to Seller hereunder shall be

retained in the Waterfall Account until the earlier of (x) the day on which Buyer provides written notice to the Deposit 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 Deposit Account Bank shall apply all such amounts pursuant to the first clause of this priority *eighth*; and (y) the day that the related Default becomes an Event of Default, at which time the Deposit Account Bank shall apply all such amounts pursuant to Section 5.03.

Section 5.03 After an Event of Default. If an Event of Default has occurred and is continuing, all Income deposited into the Waterfall Account in respect of the Purchased Assets shall be applied by Deposit Account Bank, on the Business Day next following the Business Day on which each amount of Income is so deposited, in the following order of priority:

first, to pay to Buyer an amount equal to the Price Differential accrued with respect to all Purchased Assets as of such date;

second, to pay to Buyer an amount equal to all default interest, late fees, fees, expenses and Indemnified Amounts then due and payable from the Seller Parties to Buyer under the Repurchase Documents;

third, to pay any custodial and servicing fees and expenses due and payable under the Custodial Agreement and any Servicing Agreement;

fourth, to pay to Buyer an amount equal to the aggregate Repurchase Price of all Purchased Assets (to be applied in such order and in such amounts as determined by Buyer, until the Aggregate Amount Outstanding has been reduced to zero);

fifth, to pay to Buyer all other Repurchase Obligations due to Buyer; and

sixth, to pay to Seller any remainder for its own account, to an account designated by Seller; provided, that if Buyer has exercised the remedies described in Section 10.02(d)(ii) with respect to any or all Purchased Assets, Seller shall not be entitled to any proceeds from any eventual sale of such Purchased Assets.

Section 5.04 Seller to Remain Liable. If the amounts remitted to Buyer as provided in Sections 5.02 and 5.03 are insufficient to pay all amounts due and payable to Buyer or any of its Affiliates under this Agreement or any Repurchase Document on a Remittance Date, a Repurchase Date or Maturity Date, whether due to the occurrence of an Event of Default or otherwise, Seller shall remain liable to Buyer for payment of all such amounts when due.

ARTICLE 6

CONDITIONS PRECEDENT

Section 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 which shall remain in compliance as of the first Purchase Date:

(a) Buyer has received the following documents, each dated the Closing Date or as of the first Purchase Date unless otherwise specified: (i) each Repurchase Document duly executed and delivered by the parties thereto, (ii) an official good standing certificate or its documentary equivalent dated a recent date with respect to each Seller Party, (iii) certificates of a Responsible Officer of each Seller Party with respect to attached copies of the Governing Documents and applicable resolutions of each such Seller Party, and the incumbencies and signatures of officers of each such Seller Party executing the Repurchase Documents to which each is a party, evidencing the authority of each Seller Party with respect to the execution, delivery and performance thereof, (iv) a Closing Certificate, (v) an executed Power of Attorney, (vi) such opinions from counsel to each Seller Party as Buyer may require, including with respect to corporate matters, due formation, existence and good standing of each such Seller Party, the due authorization, execution, delivery and enforceability of each Repurchase Document, non-contravention, no consents or approvals required other than those that have been obtained, validly granted and perfected security interests in the Purchased Assets, the Pledged Collateral and any other collateral pledged pursuant to the Repurchase Documents, Investment Company Act matters and the applicability of Bankruptcy Code safe harbors (including Buyer's related liquidation, termination and offset rights), (vii) a duly completed Compliance Certificate (or an email stating that information contained in the most recent Compliance Certificate delivered pursuant to Section 8.08 remains true and correct in all respects), and (viii) all other documents, certificates, information, financial statements, reports, approvals and opinions of counsel as Buyer may require;

(b) (i) UCC financing statements have been filed against Seller and Pledgor in all filing offices required by Buyer, (ii) Buyer has received such searches of UCC filings, tax liens, judgments, pending litigation and other matters relating to Seller and the Purchased Assets as Buyer may require, and (iii) the results of such searches are satisfactory to Buyer;

(c) Buyer has received payment from Seller of all fees and expenses then payable under Section 3.07(b), the related provisions of the Fee Letter and all expenses payable as contemplated by Section 13.02, together with any other fees and expenses otherwise due and payable pursuant to any of the other Repurchase Documents;

(d) Buyer has completed to its satisfaction such due diligence (including, Buyer's "know your customer", Anti-Corruption Laws, Sanctions and Anti-Money Laundering Laws diligence, and any information required to be obtained by Buyer pursuant to the Beneficial Ownership Regulation) and modeling as it may require, and all information provided to Buyer by

any Seller Party must be true, accurate, complete and not misleading in any material respect, all as determined by Buyer;

(e) Buyer shall have received, sufficiently in advance of (but in any event not less than three (3) Business Days prior to) the Closing Date a Beneficial Ownership Certification in relation to Seller to the extent that Seller qualifies as a "legal entity customer" under the Beneficial Ownership Regulation; and

(f) Buyer has received approval from its internal credit committee and all other necessary approvals required for Buyer, to enter into this Agreement and consummate Transactions hereunder, no material adverse change has occurred from the approval date until the Closing Date, including, without limitation, any changes in requirements of Laws, or relevant financial, banking, real estate or capital market conditions, and Guarantor will be in compliance with all financial covenants set forth in the Guarantee Agreement.

Section 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 with respect to an Asset, until the following additional conditions have been satisfied or waived by Buyer, with respect to each such Asset on and as of the Purchase Date (including the first Purchase Date) therefor:

(a) Buyer has received the following documents for each prospective Purchased Asset: (i) timely notice of the proposed Transaction delivered in accordance with Section 3.01(a), (ii) an Underwriting Package, (iii) a Confirmation, (iv) [reserved], (v) an Irrevocable Redirection Notice that is executed by Seller and delivered to Custodian on behalf of Buyer, (vi) if the Underlying Obligor is required to remit Income to the Servicer, evidence satisfactory to Buyer that the Underlying Obligor has been so directed to remit Income to Servicer in accordance with the Purchased Asset Documents, (vii) with respect to any Asset that is not a Wet Mortgage Asset, a trust receipt and other items required to be delivered under the Custodial Agreement, (viii) with respect to any Wet Mortgage Asset, a Bailee Agreement and Bailee Trust Receipt, (ix) the related Servicing Agreement, if a copy was not previously delivered to Buyer, (x) a Servicer Notice, if applicable and not previously delivered to Servicer, (xi) a duly completed Compliance Certificate (or an email stating that information contained in the most recent Compliance Certificate delivered pursuant to Section 8.08 remains true and correct in all respects) and (xii) all other documents, certificates, information, financial statements, reports, approvals and opinions of counsel as Buyer may require;

(b) immediately before such Transaction and immediately after giving effect thereto and to the intended use thereof, no change in any Requirements of Law or market conditions which make it unfavorable for Buyer to enter into the proposed Transaction has occurred, no Representation Breach (including with respect to any Purchased Asset), Default, Event of Default, Margin Deficit resulting in a Margin Call, Market Disruption Event or Material Adverse Effect shall have occurred, and the Facility Debt Yield Test, each Sub-Limit and the Maximum Purchased Asset PPV Requirement with respect to the prospective Purchased Asset are all in compliance or will be in compliance after giving effect to such Transaction, and no

default or event of default exists under any other financing, hedging, security or other agreement (other than this Agreement) between any Seller Party and/or any other Seven Hills Party, and Buyer or any Affiliate thereof;

(c) Buyer has completed its due diligence review of the Underwriting Package, Purchased Asset Documents and such other documents, records and information as Buyer deems appropriate, and the results of such reviews are satisfactory to Buyer;

(d) Buyer has (i) determined that such Asset is an Eligible Asset and complies, on the related Purchase Date, with the Maximum Purchased Asset PPV Requirement, (ii) approved the purchase of such Asset, (iii) obtained all necessary internal credit and other approvals for such Transaction, and (iv) executed the Confirmation;

(e) immediately after giving effect to such Transaction, the Aggregate Amount Outstanding does not exceed the Maximum Amount;

(f) the Repurchase Date specified in the Confirmation is not later than the Maturity Date;

(g) Seller has satisfied all requirements and conditions and has performed all covenants, duties, obligations and agreements contained in the other Repurchase Documents to be performed by such Person on or before the Purchase Date;

(h) to the extent the related Purchased Asset Documents contain notice, cure and other provisions in favor of a pledgee under a repurchase or warehouse facility, and without prejudice to the sale treatment of such Asset to Buyer, Buyer has received satisfactory evidence that Seller has given notice to the applicable Persons of Buyer's interest in such Asset and otherwise satisfied any other applicable requirements under such pledgee provisions so that Buyer is entitled to the rights and benefits of a pledgee under such pledgee provisions;

(i) Buyer and/or Seller shall have entered into a Servicing Agreement (and the related Servicer Notice, if applicable) with a Servicer approved by Buyer with respect to such Asset;

(j) Seller has provided Buyer with copies of any license, registration or other similar certification or official document available to Seller from the jurisdiction where the related underlying Mortgaged Property is located, to the extent necessary for Seller to enforce its rights and remedies under the related Purchased Asset Documents;

(k) if requested by Buyer, such opinions from counsel to each Seller Party 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;

(l) Custodian (or a Bailee) shall have received the Blank Assignment Documents;

(m) Seller shall have provided evidence, satisfactory to Buyer in its reasonable discretion, that the applicable Interim Assignment Documents, if any, have been submitted (or are the subject of an escrow agreement pursuant to which the related settlement agent will become irrevocably bound on the Purchase Date to submit the applicable Interim Assignment Documents) for recordation in the public recording office of the applicable jurisdiction; and

(n) if such Asset is subject to a co-lender agreement, participation agreement, intercreditor agreement or other similar agreement among creditors that requires a notice of transfer and/or a notice of pledge to be delivered in order to give effect to the rights of the transferee or pledgee, as applicable, thereunder, Seller has delivered a Notice of Transfer/Pledge with respect to such Asset.

Each Confirmation delivered by Seller shall constitute a certification by Seller that all of the conditions precedent in this Article 6 have been satisfied.

The failure of Seller to satisfy any of the conditions precedent in this Article 6 with respect to any Transaction or Purchased Asset shall, unless such failure was set forth in an exceptions schedule to the relevant Confirmation or otherwise waived in writing by Buyer on or before the related Purchase Date, give rise to the right of Buyer at any time to rescind the related Transaction, whereupon Seller shall immediately pay to Buyer the Repurchase Price of such Purchased Asset.

ARTICLE 7

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants, on and as of the date of this Agreement, each Purchase Date, and at all times when any Repurchase Document or Transaction is in full force and effect as follows:

Section 7.01 Seller. Seller has been duly organized and validly exists in good standing as a corporation, limited liability company or limited partnership, as applicable, under the laws of the jurisdiction of its incorporation, organization or formation. Seller (a) has all requisite power, authority, legal right, and material licenses and franchises, (b) is duly qualified to do business in all jurisdictions necessary, and (c) has been duly authorized by all necessary action, to (w) own, lease and operate its properties and assets, (x) conduct its business as presently conducted, (y) execute, deliver and perform its obligations under the Repurchase Documents to which it is a party, and (z) originate, service, acquire, own, sell, assign, pledge and repurchase the Purchased Assets. Seller's exact legal name is set forth in the preamble and signature pages of this Agreement. Seller's location (within the meaning of Article 9 of the UCC), chief executive office and the office where Seller keeps all records (within the meaning of Article 9 of the UCC) relating to the Purchased Assets is at the address of Seller referred to in Annex 1 and/or at its corporate counsel's office, Sullivan & Worcester LLP, One Post Office Square, Boston, Massachusetts 02109. Seller has not changed its name or location within the past twelve (12) months. Seller's (a) organizational identification number is 6251655, (b) tax

identification number is 87-2820352 and (c) jurisdiction of organization is Delaware. Pledgor's jurisdiction of organization is Delaware and Guarantor's jurisdiction of organization is Maryland. No Seller Party has a trade name. During the preceding five (5) years, no Seller Party has been known by or done business under any other name, corporate or fictitious (other than Guarantor as set forth in its Governing Documents), and no Seller Party has filed or had filed against it any bankruptcy receivership or similar petitions or made any assignments for the benefit of creditors. Seller is a one hundred percent (100%) direct and wholly-owned Subsidiary of Pledgor. The fiscal year of Seller is the calendar year. Seller has no Indebtedness, Contractual Obligations or Investments other than (a) ordinary trade payables, (b) in connection with Assets acquired or originated for the Transactions, and (c) under the Repurchase Documents. Seller has no Guarantee Obligations. Seller has no Subsidiaries.

Section 7.02 Repurchase Documents. Each Repurchase Document to which Seller is a party has been duly executed and delivered by Seller and constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with its terms, except as such enforceability may be limited by Insolvency Laws and general principles of equity. The execution, delivery and performance by Seller of each Repurchase Document to which it is a party do not and will not (a) conflict with, result in a breach of, or constitute (with or without notice or lapse of time or both) a default under, any (i) Governing Document, Indebtedness, Guarantee Obligation or Contractual Obligation applicable to Seller or any of its properties or assets, (ii) Requirements of Law, or (iii) approval, consent, judgment, decree, order or demand of any Governmental Authority, or (b) result in the creation of any Lien (other than, except with respect to any Purchased Asset, any Liens granted pursuant to a Repurchase Document) on any of the properties or assets of Seller. All approvals, authorizations, consents, orders, filings, notices or other actions of any Person or Governmental Authority required for the execution, delivery and performance by Seller of the Repurchase Documents to which it is a party and the sale of and grant of a security interest in each Purchased Asset to Buyer, have been obtained, effected, waived or given and are in full force and effect. The execution, delivery and performance of the Repurchase Documents do not require compliance by Seller with any "bulk sales" or similar law. There is no material litigation, proceeding or investigation pending or, to the Knowledge of Seller threatened in writing, against any Seller Party or any other Seven Hills Party 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 would reasonably be expected to have a Material Adverse Effect.

Section 7.03 Solvency. No Seller Party is or has ever been the subject of an Insolvency Proceeding. Each Seller Party is Solvent and the Transactions do not and will not render any Seller Party not Solvent. Seller is not entering into the Repurchase Documents or any Transaction with the intent to hinder, delay or defraud any creditor of any Seller Party. Seller has received or will receive reasonably equivalent value for the Repurchase Documents and each Transaction. Seller has adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations. Seller is generally able to pay, and as of the date hereof is paying, its debts as they come due. During the

preceding five (5) years, no Seller Party has filed or had filed against it any bankruptcy receivership or similar petitions nor has it made any assignments for the benefit of creditors.

Section 7.04 Taxes. Guarantor is a REIT. Seller is a disregarded entity of Guarantor for U.S. federal income tax purposes. Each Seller Party has timely filed (or has obtained effective extensions for filing) all required federal tax returns and all other material tax returns, domestic and foreign, required to be filed by them and have (for all prior fiscal years and for the current fiscal year to date) timely paid all federal and other material taxes (including mortgage recording taxes), assessments, fees, and other governmental charges (whether imposed with respect to their income or any of their properties or assets) which have become due and payable, except any such taxes, assessments, fees, or other governmental charges that are being contested in good faith by appropriate proceedings diligently conducted and for which appropriate reserves have been established in accordance with GAAP. There is no material suit or claim relating to any such taxes now pending or, to the Knowledge of Seller, threatened in writing by any Governmental Authority which is not being contested in good faith as provided above.

Section 7.05 Financial Condition. The audited balance sheet of Guarantor as at the fiscal year most recently ended for which such audited balance sheet is available, and the related audited statements of income, stockholders equity, retained earnings and of cash flows for the fiscal year then ended, setting forth in each case in comparative form the figures for the previous year, reported on without a "going concern" or like qualification arising out of the audit conducted by Guarantor's independent certified public accountants, copies of which have been delivered to Buyer, are complete and correct and present fairly in all material respects the financial condition of Guarantor as of such date and the results of its operations and cash flows for the fiscal year then ended. All such financial statements, including related schedules and notes, were prepared in accordance with GAAP except as disclosed therein. Guarantor has no material contingent liability or liability for taxes or any long term lease or unusual forward or long term commitment, including any Derivatives Contract, which is not accounted for in the foregoing statements or notes unless the foregoing is not required in accordance with GAAP. Since the date of the financial statements and other information delivered to Buyer prior to the Closing Date, neither Seller nor Guarantor has sold, transferred or otherwise disposed of any material part of its property or assets (except pursuant to the Repurchase Documents) or acquired any property or assets (including Equity Interests of any other Person) that are material in relation to the financial condition of Seller.

Section 7.06 True and Complete Disclosure. The information, reports, certificates, documents, financial statements, operating statements, forecasts, books, records, files, exhibits and schedules furnished by or on behalf of Seller to Buyer in connection with the Repurchase Documents and the Transactions, when taken as a whole, (i) with respect to such items prepared by Seller, 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 in any material respect, or with respect to forecasts prepared by Seller, were based on reasonable estimates prepared and presented in good faith, in

each case, on the date as of which such information is stated or certified, (ii) with respect to such items prepared on behalf of Seller by third parties, to Seller's Knowledge, 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 in any material respect, or with respect to forecasts prepared on behalf of Seller by third parties, to Seller's Knowledge, were based on reasonable estimates prepared and presented in good faith, in each case, on the date as of which such information is stated or certified. All written information furnished after the date hereof by or on behalf of Seller to Buyer in connection with the Repurchase Documents and the Transactions, to the extent prepared by Seller, will be, and to the extent prepared on behalf of Seller by a third party, will, to Seller's Knowledge, be true, correct and complete in all material respects, or in the case of projections to the extent prepared by Seller, will be, and to the extent prepared on behalf of Seller by a third party, will be, to Seller's Knowledge, based on reasonable estimates prepared and presented in good faith, in each case, on the date as of which such information is stated or certified. This Section 7.06 shall exclude any information, document, agreement, report or notice prepared or delivered by or on behalf of an Underlying Obligor.

Section 7.07 Compliance with Laws. Each Seven Hills Party has complied in all respects with all Requirements of Law. No Seller Party or any Subsidiary of any Seller Party and, to the Knowledge of any Seller Party, no Affiliate of any Seller Party (i) is in violation of any Sanctions or (ii) is a Sanctioned Target. The proceeds of any Transaction have not been and will not be used, directly or indirectly, to fund any operations in, finance any investments or activities in or make any payments to a Sanctioned Target or otherwise in violation of Sanctions, Anti-Corruption Laws or Anti-Money Laundering Laws. (a) No Seven Hills Party is a "broker" or "dealer" as defined in, or could be subject to a liquidation proceeding under, the Securities Investor Protection Act of 1970, and (b) neither Seller nor any Affiliate of Seller is subject to regulation by any Governmental Authority limiting any Seller Party's ability to incur the Repurchase Obligations. No properties presently or previously owned or leased by any Seller Party, to the Knowledge of Seller, contain or previously contained any Materials of Environmental Concern that constitute or constituted a violation of Environmental Laws or reasonably could be expected to give rise to liability of any Seller Party thereunder. Each Seller Party has no Knowledge of any violation, alleged violation, non-compliance, liability or potential liability of any Seller Party under any Environmental Law. Materials of Environmental Concern have not been Released, on properties presently owned or leased by any Seller Party, in violation of Environmental Laws or in a manner that reasonably could be expected to give rise to liability of any Seller Party thereunder. Seller and all Affiliates of Seller are in compliance with all Anti-Corruption Laws. Neither Seller nor any Affiliate of Seller has made, offered, promised or authorized a payment of money or anything else of value (a) in order to assist in obtaining or retaining business for or with, or directing business to, any foreign official, foreign political party, party official or candidate for foreign political office, (b) to any foreign official, foreign political party, party official or candidate for foreign political office, or (c) with the intent to induce the recipient to misuse his or her official position to direct business wrongfully to Seller, any Affiliate of Seller or any other Person, in violation of any Anti-Corruption Law.

Section 7.08 Compliance with ERISA.

(a) No Seller Party has any employees as of the date of this Agreement. No Seller Party or ERISA Affiliate maintains, sponsors, participates in or contributes to (or has an obligation to contribute to), or has ever maintained, established, sponsored, participated in or contributed to (or had any obligation to contribute to), or has any liability in respect of, a Plan or a Multiemployer Plan.

(b) Each Seller Party 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 ("Plan Assets").

(c) 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 7.09 No Default or Material Adverse Effect.

(a) No Default or Event of Default exists. No default or event of default (however defined) beyond applicable notice and cure periods exists under any Indebtedness, Guarantee Obligations or Contractual Obligations of Seller. Seller believes that it is and will be able to pay and perform each agreement, duty, obligation and covenant contained in the Repurchase Documents and Purchased Asset Documents to which it is a party, and to the Knowledge of Seller, it is not subject to any agreement, obligation, restriction or Requirements of Law that would unduly burden its ability to do so or could reasonably be expected to have a Material Adverse Effect. Seller has no Knowledge of any actual or prospective development, event or other fact that has not been disclosed in writing to Buyer and that could reasonably be expected to have a Material Adverse Effect. No Internal Control Event has occurred (other than as previously disclosed to Buyer and such person has been removed from involvement with the Purchased Assets and all matters relating to this Repurchase Agreement). Seller has delivered to Buyer all underlying servicing agreements (or provided Buyer with access to a service, internet website or other system where Buyer can successfully access such agreements) with respect to the Purchased Assets, and to Seller's Knowledge no material default or event of default (however defined) exists thereunder.

(b) No event of default (however defined) on the part of any Seller Party exists under any credit facility, repurchase facility or substantially similar facility that is presently in effect, to which such Seller Party is a party.

Section 7.10 Purchased Assets. Each representation and warranty of Seller set forth in the Repurchase Documents (including in Schedule 1 applicable to the Class of such Purchased Asset) with respect to each Purchased Asset was true and correct in all material respects when made or, pursuant to the terms of the Repurchase Documents, deemed made,

except as set forth in an Approved Representation Exception. Seller has complied with all requirements of the Custodial Agreement with respect to each Purchased Asset, including delivery to Custodian of all required Purchased Asset Documents. Seller has no Knowledge of any fact that could reasonably lead it to expect that any Purchased Asset will not be paid in full that has not otherwise been disclosed to Buyer. None of the Purchased Asset Documents has any marks or notations indicating that it has been sold, assigned, pledged, encumbered or otherwise conveyed to any Person other than Buyer. If any Purchased Asset Document requires the holder or transferee of the related Purchased Asset to be a qualified transferee, qualified institutional lender or qualified lender (however defined), Seller meets such requirement. Assuming that Buyer also meets such requirement, the assignment and pledge of such Purchased Asset to Buyer pursuant to the Repurchase Documents do not violate such Purchased Asset Document. Seller and each Seven Hills Party has sold and transferred all Servicing Rights with respect to the Purchased Assets to Buyer.

Section 7.11 Purchased Assets Acquired from Transferors. With respect to each Purchased Asset purchased by Seller or an Affiliate of Seller from a Transferor, (a) such Purchased Asset was acquired and transferred pursuant to a Purchase Agreement, (b) such Transferor received reasonably equivalent value in consideration for the transfer of such Purchased Asset, (c) no such transfer was made for or on account of an antecedent debt owed by such Transferor to Seller or an Affiliate of Seller, (d) no such transfer is or may be voidable or subject to avoidance under the Bankruptcy Code, and (e) if such Transferor is an Affiliate of Seller, the representations and warranties made by each such Transferor to Seller or such Affiliate in such Purchase Agreement are hereby incorporated herein *mutatis mutandis* and are hereby remade by Seller to Buyer on each date as of which they speak in such Purchase Agreement. If such Purchased Asset was acquired by Seller or such Affiliate of Seller via a Purchase Agreement and the related Transferor has therein granted a security interest in each such Purchased Asset to either Seller or such Affiliate, then Seller or such Affiliate has filed one or more UCC financing statements against the Transferor to perfect such security interest, assigned such financing statements in blank and delivered such blank assignments to Buyer or Custodian.

Section 7.12 Transfer and Security Interest. The Repurchase Documents constitute a valid and effective transfer to Buyer of all right, title and interest of Seller in, to and under all Purchased Assets (together with all related Servicing Rights), free and clear of any Liens. With respect to the protective security interest granted by Seller in Section 11.01, upon the delivery of the Confirmations and the Purchased Asset Documents to Custodian, the execution and delivery of each Controlled Account Agreement and the filing of the UCC financing statements as provided herein, such security interest shall be a valid first priority perfected security interest to the extent such security interest can be perfected by possession, filing or control under the UCC. Upon receipt by Custodian of each Purchased Asset Document required to be endorsed in blank by Seller and payment by Buyer of the Purchase Price for the related Purchased Asset, Buyer shall either own such Purchased Asset and the related Purchased Asset Documents or have a valid first priority perfected security interest in such Purchased Asset Document. The Purchased Assets constitute the following, as defined in the UCC: a general

intangible, instrument, investment property, security, deposit account, financial asset, uncertificated security, securities account, or security entitlement. Seller has not sold, assigned, pledged, granted a security interest in, encumbered or otherwise conveyed any of the Purchased Assets to any Person other than pursuant to the Repurchase Documents. Seller has not authorized the filing of and has no Knowledge of any UCC financing statements filed against Seller as debtor that include the Purchased Assets, other than any financing statement that has been terminated or filed pursuant to this Agreement.

Section 7.13 No Broker. No broker, investment banker, agent or other Person, except for Buyer or an Affiliate of Buyer, is entitled to any commission or compensation in connection with any Transaction.

Section 7.14 Reserved.

Section 7.15 Separateness. Seller is in compliance with the requirements of Article 9.

Section 7.16 Investment Company Act. No Seller Party is required to be registered as, or is controlled by, an "investment company" or a company "controlled" by an "investment company", within the meaning of the Investment Company Act, or otherwise required to register thereunder. Seller is exempt from the registration requirements of the Investment Company Act pursuant to an exemption other than the exemptions set forth in Section 3(c)(1) and 3(c)(7) of the Investment Company Act.

Section 7.17 Reserved.

Section 7.18 Location of Books and Records. The location where Seller keeps its books and records, including all computer tapes and records relating to the Purchased Assets is its chief executive office and/or at its corporate counsel's office, Sullivan & Worcester LLP, One Post Office Square, Boston, Massachusetts 02109.

Section 7.19 Anti-Money Laundering Laws and Anti-Corruption Laws. The operations of each Seller Party are, and have been, conducted at all times in compliance with all applicable Anti-Money Laundering Laws and Anti-Corruption Laws. No litigation, regulatory or administrative proceedings of or before any court, tribunal or agency with respect to any Anti-Money Laundering Laws or Anti-Corruption Laws have been started or (to the best of its knowledge and belief) threatened against any Seller Party or, to the Knowledge of any Seller Party, against any Affiliate of any Seller Party.

Section 7.20 Sanctions. No Seller Party or any Subsidiary of any Seller Party and, to the Knowledge of any Seller Party, no Affiliate of any Seller Party (a) is a Sanctioned Target, (b) is controlled by or is acting on behalf of a Sanctioned Target, or (c) to the best Knowledge of any Seller Party after due inquiry, is under investigation for an alleged breach of Sanctions by a Governmental Authority that enforces Sanctions.

Section 7.21 Beneficial Ownership Certification. The information included in each Beneficial Ownership Certification is true and correct in all respects.

ARTICLE 8

COVENANTS OF SELLER

From the date hereof until the Repurchase Obligations are indefeasibly paid in full and the Repurchase Documents are terminated, Seller shall perform and observe the following covenants, which shall be given independent effect (so that if a particular action or condition is prohibited by any covenant, the fact that it would be permitted by an exception to or be otherwise within the limitations of another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists):

Section 8.01 Existence; Governing Documents; Conduct of Business. Seller shall (a) preserve and maintain its legal existence, (b) qualify and remain qualified in good standing in each jurisdiction where the failure to be so qualified would have a Material Adverse Effect, (c) comply with its Governing Documents, including all Single Purpose Entity provisions, and (d) not modify, amend or terminate its Governing Documents (except as expressly permitted therein) or divide itself into two or more separate limited liability companies. Seller shall (a) continue to engage in the same (and no other) general lines of business as presently conducted by it, (b) maintain and preserve all of its material rights, privileges, licenses and franchises necessary for the operation of its business, and (c) maintain Seller's status as a qualified transferee, qualified lender or any similar term (however defined), if any, under the Purchased Asset Documents. Seller shall not (A) change its name, organizational number, tax identification number, fiscal year, method of accounting, identity, structure or jurisdiction of organization (or have more than one such jurisdiction), move the location of its principal place of business and chief executive office (as defined in the UCC) from the location referred to in Section 7.01, or (B) move, or consent to Custodian moving, the Purchased Asset Documents from the location thereof on the applicable Purchase Date for the related Purchased Asset, unless in each case Seller has given at least ten (10) Business 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 provide Buyer with notice of any change in the principal office or place of business or jurisdiction of Pledgor or Guarantor within ten (10) Business Days after giving effect to such change.

Section 8.02 Compliance with Laws, Contractual Obligations and Repurchase Documents. Seller shall comply in all material respects with each and every Requirements of Law, including those relating to any Purchased Asset and to the reporting and payment of taxes. No part of the proceeds of any Transaction shall be used for any purpose that violates Regulation T, U or X of the Board of Governors of the Federal Reserve System. Seller shall maintain the Custodial Agreement and each Controlled Account Agreement in full force and effect, except to the extent replaced in accordance with the terms of this Agreement. Seller shall

not directly or indirectly enter into any agreement that would be violated or breached by any Transaction or the performance by Seller of any Repurchase Document.

Section 8.03 Structural Changes. Seller shall not enter into any merger or consolidation, or adopt, file, or effect a Division, or liquidate, wind up or dissolve, or, except in accordance with this Agreement, sell all or substantially all of its assets or properties, or permit any changes in the ownership of the Equity Interests of Seller, without the consent of Buyer. Seller shall ensure that all Equity Interests of Seller shall continue to be directly owned by the owner thereof as of the date hereof. Seller shall ensure that neither the Equity Interests of Seller nor any property or assets of Seller shall be pledged to any Person other than Buyer. Seller shall not enter into any transaction with an Affiliate of Seller unless such transaction is on commercially reasonable terms similar to those available to unaffiliated parties in an arm's length transaction.

Section 8.04 Protection of Buyer's Interest in Purchased Assets. With respect to each Purchased Asset, Seller shall take all action necessary or required by the Repurchase Documents, the Purchased Asset Documents and each and every Requirements of Law, or reasonably requested by Buyer, to perfect, protect and more fully evidence the security interest granted in the Purchase Agreements and Buyer's ownership of and first priority perfected security interest in such Purchased Asset and related Purchased Asset Documents, including executing or causing to be executed (a) such other instruments or notices as may be necessary or appropriate and filing and maintaining effective UCC financing statements, continuation statements and assignments and amendments thereto, and (b) all documents necessary to both collaterally and absolutely and unconditionally assign all rights (but none of the obligations) of Seller under each Purchase Agreement, in each case as additional collateral security for the payment and performance of each of the Repurchase Obligations, provided that no such additional instruments shall increase the obligations of Seller or decrease the rights of Seller beyond what is contemplated under the Repurchase Documents. Seller shall (a) not assign, sell, transfer, pledge, hypothecate, grant, create, incur, assume or suffer or permit to exist any security interest in or Lien (other than, except with respect to any Purchased Asset, any Liens granted pursuant to a Repurchase Document) on any Purchased Asset to or in favor of any Person other than Buyer, (b) defend the right, title and interest of Buyer in and to all Purchased Assets against the claims and demands of all Persons whomsoever. Seller shall comply with all requirements of the Custodial Agreement with respect to each Purchased Asset. Notwithstanding the foregoing, (i) if Seller grants a Lien on any Purchased Asset in violation of this Section 8.04 or any other Repurchase Document, Seller shall defend such Purchased Asset against, and take such action as is necessary to remove, any such Lien, and be deemed to have simultaneously granted an equal and ratable Lien on such Purchased Asset in favor of Buyer to the extent such Lien has not already been granted to Buyer; provided, that such equal and ratable Lien shall not cure any resulting Event of Default, and (ii) to the extent any additional limited liability company is formed by a Division of Seller (and without prejudice to Sections 8.01, 8.03 and 9.01 hereof), Seller shall cause any such Division LLC to assign, pledge and grant to Buyer, for no additional consideration, all of its assets, and shall cause any owner of each such Division LLC to pledge all of the Equity Interests and any rights in connection therewith of each such Division LLC to

Buyer, for no additional consideration, in support of all Repurchase Obligations in the same manner and to the same extent as the assignment, pledge and grant by Seller of all of Seller's assets hereunder, and in the same manner and to the same extent as the pledge by Pledgor of all of Pledgor's right, title and interest in all of the Equity Interests of Seller and any rights in connection therewith, in each case pursuant to the Pledge Agreement. Seller shall not materially amend, modify, waive or terminate any provision of any Purchase Agreement or Servicing Agreement without the prior written consent of Buyer. Seller shall not, or permit any Servicer to make any Material Modification to any Purchased Asset or Purchased Asset Document, without the prior written consent of Buyer. Seller shall use appropriate documentation to evidence the interests granted to Buyer hereunder. Seller shall not take any action to cause any Purchased Asset that is not evidenced by an instrument or chattel paper (as defined in the UCC) to be so evidenced. If a Purchased Asset becomes evidenced by an instrument or chattel paper, the same shall be immediately delivered to Custodian on behalf of Buyer, together with endorsements required by Buyer.

Section 8.05 Actions of Seller Relating to Distributions, Indebtedness, Guarantee Obligations, Contractual Obligations, Investments and Liens. Following the occurrence and during the continuance of a monetary Default or Event of Default (or if any Default or Event of Default would result after giving effect to any of the following), Seller shall not declare or make any payment on account of, or set apart assets for, a sinking or similar fund for the purchase, redemption, defeasance, retirement or other acquisition of any Equity Interest of Seller or Pledgor, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of Seller or Pledgor; provided that, at all times, Seller may distribute the minimum amount of cash required to be distributed so that Guarantor can maintain its status as a REIT under Section 856 through 860 of the Code and avoid the payment of any income or excise taxes imposed under Section 857(b)(1), 857(b)(3) or 4981 of the Code. Seller shall not contract, create, incur, assume or permit to exist any Indebtedness, Guarantee Obligations, Contractual Obligations or Investments, except to the extent (a) arising or existing under the Repurchase Documents, (b) arising or existing pursuant to any Retained Interests, (c) existing as of the Closing Date, as referenced in the financial statements delivered to Buyer prior to the Closing Date, and any renewals, refinancings or extensions thereof in a principal amount not exceeding that outstanding as of the date of such renewal, refinancing or extension, (d) incurred after the Closing Date to originate or acquire Assets or to provide funding with respect to Assets, (e) incurred as ordinary trade payables and (f) permitted by the terms of Section 9.01. Seller shall not (a) contract, create, incur, assume or permit to exist any Lien on or with respect to any of its property or assets (including the Purchased Assets) of any kind (whether real or personal, tangible or intangible), whether now owned or hereafter acquired, other than, except with respect to Seller's interest in any Purchased Asset, any Liens granted pursuant to a Repurchase Document, or (b) except as provided in the preceding clause (a), grant, allow or enter into any agreement or arrangement with any Person that prohibits or restricts or purports to prohibit or restrict the granting of any Lien on any of the foregoing.

Section 8.06 Maintenance of Property, Insurance and Records. Seller shall (a) keep all property useful and necessary in its business in good working order and condition, (b) maintain or be covered by insurance on all its properties in accordance with customary and prudent practices of companies engaged in the same or a similar business, and (c) furnish to Buyer upon request information and certificates with respect to such insurance. Seller shall maintain and implement administrative and operating procedures (including the ability to recreate records evidencing the Purchased Assets if the original records are destroyed) and shall keep and maintain all documents, books, records and other information (including with respect to the Purchased Assets) that are reasonably necessary or advisable in the conduct of its business.

Section 8.07 Delivery of Income. Unless otherwise agreed to by Buyer in writing, each Servicing Agreement and/or the related Servicer Notice shall require, and Seller shall cause Servicer to, transfer all Income for each Purchased Asset from the Servicer Account to the Waterfall Account in accordance with Section 5.01 hereof. Following the occurrence and during the continuance of an Event of Default, Buyer may deliver Irrevocable Redirection Notices to the Underlying Obligors. Seller and Servicer shall, in connection with each principal payment or prepayment under a Purchased Asset, provide or cause to be provided to Buyer sufficient detail to enable Buyer to identify the Purchased Asset to which such payment applies. If Seller receives any rights, whether in addition to, in substitution of, as a conversion of, or in exchange for any Purchased Assets, or otherwise in respect thereof, Seller shall accept the same as Buyer's agent, hold the same in trust for Buyer and immediately deliver the same to Buyer or its designee in the exact form received, together with duly executed instruments of transfer, stock powers or assignment in blank and such other documentation as Buyer shall reasonably request. If any Income is received by any Seller Party or any Affiliate of any Seller Party, Seller shall, subject to the applicable provisions of the related Servicing Agreement and the Servicer Notice, deposit such Income into the Waterfall Account within two (2) Business Days after receipt, and, until so deposited, hold such Income in trust for Buyer, segregated from other funds of Seller.

Section 8.08 Delivery of Financial Statements and Other Information. Seller shall deliver the following to Buyer, as soon as reasonably practicable and in any event within the time periods specified:

(a) within forty-five (45) days after the end of each of the first, second and third fiscal quarters of 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, stockholders equity and cash flows for such period and the portion of the fiscal year through the end of such period, setting forth in each case in comparative form the figures for the previous year, and (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

in all material respects the financial condition and results of operations of Guarantor as at the end of and for such fiscal year in accordance with GAAP, and (iv) a Compliance Certificate;

(c) [reserved];

(d) with respect to each Purchased Asset and related Mortgaged Property, within fifteen (15) days after receipt from the Underlying Obligor each month (or, if the Underlying Obligor is not required to report monthly, within fifteen (15) days after receipt from Underlying Obligor after the end of each fiscal quarter of Underlying Obligor): a rent roll, occupancy and other property level information and operating and financial statements of Underlying Obligors (to the extent received by Seller from the Underlying Obligors), and all material modifications or updates to the items contained in the Underwriting Package; provided that Seller shall use commercially reasonable efforts to require each Underlying Obligor to comply with the reporting requirements of the related Purchased Asset Documents;

(e) [reserved];

(f) within ten (10) 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 in a form acceptable to Buyer;

(g) any other material agreements, documents or other information not included in an Underwriting Package which is related to the Purchased Assets, as soon as reasonably practicable after the discovery thereof by any Seller Party or any subsidiary of any Seller Party;

(h) no later than ten (10) Business Days before the effectiveness thereof, notice of any amendment to the Governing Documents of Guarantor that would have a material adverse impact on Buyer's interests;

(i) all amendments to any Purchased Asset Documents that are executed after the Purchase Date of each Purchased Asset, whether or not the related amendment is also a Material Modification;

(j) such other information regarding the financial condition, operations or business of any Seller Party 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

(k) upon the request of Buyer, updated Appraisals of the Mortgaged Properties relating to the Purchased Assets, which, subject to the limitation in the last sentence of Section 18.20, shall be at Seller's sole cost and expense.

Section 8.09 Delivery of Notices. Seller shall notify Buyer within three (3) Business Days of the occurrence of any of the following of which Seller has Knowledge,

together with a certificate of a Responsible Officer of Seller setting forth details of such occurrence and any action Seller has taken or proposes to take with respect thereto:

(a) a Representation Breach;

(b) any of the following: (i) with respect to any Purchased Asset or related underlying Mortgaged Property, material 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 event or change in circumstances that, with respect to each of the foregoing, could reasonably be expected to result in an event of default (beyond applicable notice and cure periods under the related Purchased Asset Documents) or material decline in value or cash flow, and (ii) with respect to Seller, any violation of Requirements of Law, material decline in the value of Seller's assets or properties, an Internal Control Event or other event or circumstance that, with respect to each of the foregoing, could reasonably be expected to have a Material Adverse Effect;

(c) the existence of any Default, Event of Default or material default beyond applicable notice and cure periods under or related to any Purchased Asset, any Purchased Asset Document, or any Indebtedness, Guarantee Obligation or Contractual Obligation of Seller;

(d) the resignation or termination of any Servicer under any Servicing Agreement with respect to any Purchased Asset;

(e) the establishment of a rating by any Rating Agency applicable to any Seller Party 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 Party, any Purchased Asset, Pledged Collateral or Mortgaged Property, (ii) questions or challenges the validity or enforceability of any Repurchase Document, Transaction, Purchased Asset or Purchased Asset Document, or (iii) individually or in the aggregate, if adversely determined, could reasonably be likely to have a Material Adverse Effect; and

(g) each change in the location of its principal place of business and chief executive office, from the location referred to in Annex ~~I~~1.

Section 8.10 Reserved.

Section 8.11 Reserved.

Section 8.12 Pledge Agreement. Seller shall not take any direct or indirect action inconsistent with the Pledge Agreement or the security interest granted thereunder to Buyer in the Pledged Collateral. Seller shall not permit any additional Persons to acquire Equity Interests in Seller other than the Equity Interests owned by Pledgor and pledged to Buyer on the

Closing Date, and Seller shall not permit any sales, assignments, pledges or transfers of the Equity Interests in Seller other than to Buyer.

Section 8.13 Taxes. Guarantor will continue to be a REIT. Seller will continue to be a disregarded entity of Guarantor for U.S. federal income tax purposes. Each Seller Party will each timely file (or obtain effective extensions for) all required federal tax returns and all other material tax returns, domestic and foreign, required to be filed by them and will timely pay all federal and other material taxes (including mortgage recording taxes), assessments, fees, and other governmental charges (whether imposed with respect to their income or any of their properties or assets) which become due and payable, except any such taxes, assessments, fees, or other governmental charges that are being contested in good faith by appropriate proceedings diligently conducted and for which appropriate reserves are established in accordance with GAAP. Seller will provide Buyer with written notice of any material suit or claim relating to any such taxes, whether pending or, to the Knowledge of Seller, threatened in writing by any Governmental Authority.

Section 8.14 Reserved.

Section 8.15 Reserved.

Section 8.16 Transaction with Affiliates. Seller will not, directly or indirectly, (i) make any investment in an Affiliate (whether by means of share purchase; capital contribution; loan, advance or any other extension of credit, including repurchase agreements, securities lending transactions or any transaction involving a Derivatives Contract; deposit, or otherwise including any agreement or commitment to enter into any of the foregoing) or (ii) transfer, sell, lease, assign or otherwise dispose of any tangible or intangible property to an Affiliate or enter into any other transaction, directly or indirectly, with or for the benefit of any Affiliate (including, without limitation, guarantees and assumptions of obligations of an Affiliate) except, in each case, in compliance with the Repurchase Documents, the Investment Company Act and any other Requirements of Law.

Section 8.17 Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions.

(a) The proceeds of any Transaction shall not be used, directly or indirectly, for any purpose which would breach any applicable Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions.

(b) Each Seller Party shall (i) conduct its business in compliance with applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions; and (ii) maintain policies and procedures designed to promote and achieve compliance with applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions.

(c) The repurchase of any Purchased Asset or any other payment due to Buyer under this Agreement or any other Repurchase Document shall not be funded, directly or

indirectly, with proceeds derived from a transaction that would be prohibited by Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions, or in any manner that would cause any Seller Party or to the Knowledge of any Seller Party, any Affiliates of a Seller Party to be in breach of any Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions.

(d) With respect to the Purchased Assets that were originated by Seller or any Affiliate of Seller, Seller has conducted the customer identification and customer due diligence required in connection with the origination of each Purchased Asset for purposes of complying with all Anti-Money Laundering Laws, and will maintain sufficient information to identify each such customer for purposes of such Anti-Money Laundering Laws.

Section 8.18 Compliance with Sanctions. The proceeds of any Transaction hereunder will not, directly or indirectly, be used to lend, contribute, or otherwise be made available; (i) to fund any activities or business of or with a Sanctioned Target, or (ii) be used in any manner that would be prohibited by Sanctions or would otherwise cause Buyer to be in breach of any Sanctions. Seller shall notify Buyer in writing not more than three (3) Business Days after becoming aware of any breach of Section 7.20 or this Section 8.18.

Section 8.19 Beneficial Ownership. To the extent that Seller is a "legal entity customer" under the Beneficial Ownership Regulation, Seller shall promptly give notice to Buyer of any change in the information provided in any Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified therein and shall promptly deliver an updated Beneficial Ownership Certification to Buyer.

ARTICLE 9

SINGLE PURPOSE ENTITY

Section 9.01 Covenants Applicable to Seller. Seller shall (a) own no assets, and shall not engage in any business, other than the assets and transactions specifically contemplated by this Agreement and any other Repurchase Document; (b) not incur any Indebtedness or other obligation, secured or unsecured, direct or indirect, absolute or contingent (including guaranteeing any obligation), other than (I) with respect to the Purchased Asset Documents and the Retained Interests, (II) commitments to make loans which may become Eligible Assets, and (III) as otherwise permitted under this Agreement; (c) not make any loans or advances to any Affiliate or any other Person and shall not acquire obligations or securities of its Affiliates, in each case other than in connection with the origination or acquisition of Assets for purchase under the Repurchase Documents; (d) pay its debts and liabilities (including, as applicable, shared personnel and overhead expenses) only from its own assets; (e) comply with the provisions of its Governing Documents; (f) do all things necessary to observe organizational formalities and to preserve its existence, and shall not amend, modify, waive provisions of or otherwise change its Governing Documents with respect to the matters set forth in this Article 9; (g) maintain all of its books, records and bank accounts separate from those of any other Person; (h) maintain separate financial statements, showing its assets and liabilities separate and apart

from those of any other Person and not have its assets listed on any financial statement of any other Person; provided, however, that Seller's assets may be included in a consolidated financial statement of its Affiliate provided that appropriate notation shall be made on such consolidated financial statements to indicate the separateness of Seller from such Affiliate and to indicate that Seller's assets and credit are not available to satisfy the debts and other obligations of such Affiliate or any other Person; (i) file its own tax returns separate from those of any other Person, except to the extent that Seller is treated as a "disregarded entity" for tax purposes and is not required to file tax returns under Requirements of Law; (j) 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; (k) maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations; (l) to the fullest extent permitted by law, not engage in or suffer any Change of Control, dissolution, winding up, liquidation, consolidation or merger in whole or in part or convey or transfer all or substantially all of its properties and assets to any Person (except as contemplated herein), nor shall Seller adopt, file, or effect a Division; (m) except for services, receipts and payments by Tremont Realty Capital LLC in its customary cash management system and functions, not commingle its funds or other assets with those of any Affiliate or any other Person; (n) maintain its properties, assets and accounts, except for services, receipts and payments by Tremont Realty Capital LLC in its customary cash management system and functions, separate from those of any Affiliate or any other Person, (o) not guarantee any obligation of any Person, including any Affiliate, become obligated for the debts of any other Person, or hold out its credit or assets as being available pay the obligations of any other Person, (p) not, without the prior unanimous written consent of all of its Independent Directors or Independent Managers, take any Insolvency Action, (q) (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 Seller; (r) have Governing Documents that provide that for so long as any Repurchase Obligations remain outstanding, (I) the Independent Manager or Independent Director may be removed only for Cause, (II) that Buyer be given at least five (5) Business Days prior notice of the removal and/or replacement of any Independent Director or Independent Manager, together with the name and contact information of the replacement Independent Director or Independent Manager and evidence of the replacement's satisfaction of the definition of "Independent Director" or "Independent Manager", (III) that, to the fullest extent permitted by law, and notwithstanding any duty otherwise existing at law or in equity, any Independent Director or Independent Manager shall consider only the interests of Seller, including its respective creditors, in acting or otherwise voting on the Insolvency Action, and (IV) that, except for duties to Seller as set forth in the immediately preceding clause (including duties to the holders of the Equity Interests in Seller or Seller's respective creditors solely to the extent of their respective economic interests in Seller, but excluding (A) all other interests of the holders of the Equity Interests in Seller, (B) the interests of other Affiliates of Seller, and (C) the

interests of any group of Affiliates of which Seller is a part), the Independent Directors or Independent Managers shall not have any fiduciary duties to the holders of the Equity Interests in Seller, any officer or any other Person bound by the Governing Documents; provided, however, the foregoing shall not eliminate the implied contractual covenant of good faith and fair dealing; (s) except for capital contributions or capital distributions permitted under the terms and conditions of its Governing Documents and properly reflected on the books and records of Seller, not enter into any transaction with an Affiliate of Seller except on commercially reasonable terms similar to those available to unaffiliated parties in an arm's-length transaction; (t) [reserved]; (u) allocate fairly and reasonably any overhead expenses that are shared with an Affiliate, including for shared office space and for services performed by an employee of an Affiliate; (v) not pledge its assets to secure the obligations of any other Person; and (w) not form, acquire or hold any Subsidiary or own any Equity Interest in any other entity. Seller has complied with the covenants set forth in this Section 9.01 since the date of its formation.

Section 9.02 Reserved.

Section 9.03 Covenants Applicable to Seller and Pledgor. Seller shall, and Seller shall ensure that Pledgor shall, comply with the following additional provisions if either Seller or Pledgor is a limited partnership, a corporation, a limited liability company with more than one member or a single-member limited liability company (as the case may be):

(a) if either Seller or Pledgor is a limited partnership, each such entity shall have at least one general partner and shall have, as its only general partners, Single Purpose Entities each of which (i) is a corporation or single-member Delaware limited liability company, (ii) has at least one Independent Director or Independent Manager, and (iii) holds a direct interest as general partner in the limited partnership of not less than 0.5% (or 0.1% if the limited partnership is a Delaware entity);

(b) if either Seller or Pledgor is a corporation, each such entity shall have at least one Independent Director or Independent Manager, and shall not cause or permit the board of directors of such entity to take any Insolvency Action either with respect to itself and, if the corporation is a Pledgor, with respect to Seller, or any action requiring the unanimous affirmative vote of 100% of the members of its board of directors unless all of its Independent Directors or Independent Managers shall have participated in such vote and shall have voted in favor of such action;

(c) if either Seller or Pledgor is a limited liability company (other than a limited liability company meeting all of the requirements applicable to a single-member limited liability company set forth in Section 9.03(d)), shall have at least one member that is a Single Purpose Entity, that is a corporation or a single-member Delaware limited liability company, that has at least one Independent Director or Independent Manager and that directly owns at least 0.5% of the equity of the limited liability company (or 0.1% if the limited liability company is a Delaware entity); and

(d) if either Seller or Pledgor is a single-member limited liability company, such entity (i) shall be a Delaware limited liability company, (ii) shall have at least one Independent Director or Independent Manager serving as manager of such company, (iii) shall not take any Insolvency Action and shall not cause or permit the members or managers of such entity to take any Insolvency Action, either with respect to itself or, if the company is a Pledgor, with respect to Seller, in each case unless all of its Independent Director(s) or Independent Manager(s) then serving as managers of the company shall have consented in writing to such action (directly or indirectly), and (iv) shall have either (A) a member which owns no economic interest in the company, has signed the company's limited liability company agreement and has no obligation to make capital contributions to the company, or (B) two natural persons or one entity that is not a member of the company, that has signed its limited liability company agreement and that, under the terms of such limited liability company agreement becomes a member of the company immediately prior to the resignation or dissolution of the last remaining member of the company.

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) Seller fails to make a payment of (i) Margin Deficit or Repurchase Price (other than Price Differential) when due, whether by acceleration or otherwise, (ii) Price Differential when due, or (iii) any fee or other amount when due, in each case under the Repurchase Documents and such failure continues unremedied for three (3) Business Days after the earlier of receipt of notice thereof from Buyer or the discovery of such failure by Seller;

(b) Seller fails to observe or perform in any material respect (A) any Repurchase Obligation of Seller under Section 8.04 and Section 18.08(a) or (B) any other Repurchase Obligation of Seller under the Repurchase Documents or Purchased Asset Documents to which Seller is a party, and in the case of this clause (B) only, such failure continues unremedied for ten (10) Business Days after the earlier of receipt of notice thereof from Buyer or the discovery of such failure by Seller;

(c) any Representation Breach (other than a Representation Breach arising out of the representations and warranties set forth in Schedule 1) exists and continues unremedied for ten (10) Business Days after the earlier of receipt of notice thereof from Buyer or the discovery of such Representation Breach by Seller;

(d) any Seller Party defaults beyond any applicable notice and grace period (unless such default is waived) in paying any amount or performing any material obligation under any Indebtedness, Guarantee Obligation or Contractual Obligation with an outstanding amount of at least $250,000 with respect to Seller or Pledgor, or $10,000,000 with respect to Guarantor;

(e) any Seven Hills Party 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 Seven Hills Party and Buyer or any Affiliate of Buyer, including, without limitation, Guarantor's obligations under the Guarantee Agreement;

(f) an Insolvency Event occurs with respect to any Seller Party;

(g) a Change of Control occurs;

(h) a final judgment or judgments for the payment of money in excess of $250,000 with respect to Seller or Pledgor, or $10,000,000 with respect to Guarantor, is entered against any Seller Party 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 forty-five (45) 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 Seller, (ii) displace the management of Seller or curtail its authority in the conduct of the business of Seller or (iii) terminate the activities of Seller as contemplated by the Repurchase Documents, and in each case such action is not discontinued or stayed within thirty (30) days;

(j) any Seller Party admits in writing that it is not Solvent or is not able or not willing to perform any of its Repurchase Obligations in accordance with the terms of the Repurchase Documents;

(k) any provision of the Repurchase Documents, any right or remedy of Buyer or obligation, covenant, agreement or duty of Seller thereunder, or any Lien, security interest or control granted under or in connection with the Repurchase Documents, Pledged Collateral or Purchased Assets terminates, is declared null and void, ceases to be valid and effective, ceases to be the legal, valid, binding and enforceable obligation of Seller or any other Seller Party, or the validity, effectiveness, binding nature or enforceability thereof is contested, challenged, denied or repudiated by any Seller Party in a legal proceeding, 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 Party 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 Party as an "investment company";

(n) any Seller Party engages in any conduct or action where Buyer's prior consent or approval is required by any Repurchase Document and such Seller Party fails to obtain such consent or approval and such failure continues unremedied for ten (10) Business

Days after the earlier of receipt of notice thereof from Buyer or the discovery of such failure by Seller;

(o) (i) (x) Seller fails to deposit to the Waterfall Account all Income and other amounts as required by this Agreement when due or (y) Servicer (but only to the extent that Buyer or one of its Affiliates is not Servicer) fails to deposit to the Waterfall Account all Income and other amounts as required by Section 5.01 and other provisions of this Agreement when due; provided, that if any such failure described in the foregoing clause (y) results from Servicer's failure to remit such amounts despite having sufficient funds on deposit in the Servicer Account, such failure shall not constitute an Event of Default if Seller or Servicer remits such amounts within two (2) Business Days of the date on which Seller becomes aware of such failure (whether by notice from Buyer or otherwise), or (ii) a Servicer Event of Default (excluding Servicer's failure to deposit Income in the Waterfall Account) shall have occurred and either (x) such Servicer Event of Default has not been cured, or (y) servicing of the Purchased Assets has not been transferred to Buyer or a designee of Buyer, in each case in respect of this clause (ii), within thirty (30) days of such Servicer Event of Default;

(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) [reserved];

(r) any Material Modification is made to any Purchased Asset or any Purchased Asset Document without the prior written consent of Buyer;

(s) [reserved];

(t) (1) Guarantor fails to qualify as a REIT (after giving effect to any cure or corrective periods or allowances pursuant to the Code), or (2) Seller becomes subject to U.S. federal income tax on a net income basis;

(u) any Seller Party adopts, files, or effects a Division;

(v) the underlying assets of any Seller Party constitute Plan Assets; and

(w) (A) the breach by Guarantor of any financial covenant or any payment obligation beyond any applicable notice and cure period set forth in the Guarantee Agreement, (B) any of the representations and warranties of Guarantor in the Guarantee Agreement or in any Compliance Certificate shall have been incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated or (C) the breach by Guarantor of any other term, covenant, obligation or condition set forth in the Guarantee Agreement beyond any applicable notice and cure period.

Section 10.02 Remedies of Buyer as Owner of the Purchased Assets. If an Event of Default exists, at the option of Buyer, exercised by notice to Seller (which option shall be deemed to be exercised, even if no notice is given, automatically and immediately upon the occurrence of an Event of Default under Section 10.01(f)), the Repurchase Date for all Purchased Assets shall be deemed automatically and immediately to occur (the date on which such option is exercised or deemed to be exercised, the "Accelerated Repurchase Date"). If Buyer exercises or is deemed to have exercised the foregoing option:

(a) All Repurchase Obligations shall become immediately due and payable on and as of the Accelerated Repurchase Date and Buyer may, upon the delivery of notice thereof to Seller, terminate this Agreement, except provisions of this Agreement which by their terms survive any such termination of the Agreement or the transactions contemplated hereby.

(b) All amounts in either the Servicer Account or the Waterfall Account 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 Purchased Asset Documents and all other instruments, certificates and documents then held by or on behalf of Custodian under the Custodial Agreement including, without limitation, the Blank Assignment Documents. Buyer may obtain physical possession of all Servicing Files, Servicing Agreements and other files and records of Seller or any Servicer. Seller shall deliver to Buyer such assignments and other documents with respect thereto as Buyer shall request.

(d) Buyer may immediately, at any time, and from time to time, exercise either of the following remedies with respect to any or all of the Purchased Assets: (i) sell such Purchased Assets on a servicing-released basis and/or without providing any representations and warranties on an "as-is where is" basis, in a recognized market and by means of a public or private sale at such price or prices as Buyer accepts, and apply the net proceeds thereof in accordance with Article 5, or (ii) retain such Purchased Assets and give Seller credit against the Repurchase Price for such Purchased Assets (or if the amount of such credit exceeds the Repurchase Price for such Purchased Assets, to credit against Repurchase Obligations due and any other amounts (without duplication) then owing to Buyer by any other Person pursuant to any Repurchase Document, in such order and in such amounts as determined by Buyer), in an amount equal to the Market Value of such Purchased Assets on the date of the related Event of Default. Until such time as Buyer exercises either such remedy with respect to a Purchased Asset, Buyer may hold such Purchased Asset for its own account and retain all Income with respect thereto.

(e) The Parties agree that the Purchased Assets are of such a nature that they may decline rapidly in value, and may not have a ready or liquid market. Accordingly, Buyer shall not be required to sell more than one Purchased Asset on a particular Business Day, to the same purchaser or in the same manner. Buyer may determine whether, when and in what manner a Purchased Asset shall be sold, it being agreed that both a good faith public and a good

faith private sale shall be deemed to be commercially reasonable. Buyer shall not be required to give notice to Seller or any other Person prior to exercising any remedy in respect of an Event of Default. If no prior notice is given, Buyer shall give notice to Seller of the remedies exercised by Buyer promptly thereafter.

(f) Seller shall be liable to Buyer for (i) any amount by which the Repurchase Obligations due to Buyer exceed the aggregate of the net proceeds and credits referred to in the preceding clause (d), (ii) the amount of all actual out-of-pocket expenses, including reasonable legal fees and expenses, actually incurred by Buyer in connection with or as a consequence of an Event of Default, (iii) any costs and losses payable under Section 12.03, and (iv) any other actual loss, damage, cost or expense resulting from the occurrence of an Event of Default.

(g) Buyer shall be entitled to an injunction, an order of specific performance or other equitable relief to compel Seller to fulfill any of its obligations as set forth in the Repurchase Documents, including this Article 10, if Seller fails or refuses to perform its obligations as set forth herein or therein.

(h) Seller hereby appoints Buyer as attorney-in-fact of Seller for purposes of carrying out the Repurchase Documents, including executing, endorsing and recording any instruments or documents and taking any other actions that Buyer deems necessary or advisable to accomplish such purposes, which appointment is coupled with an interest and is irrevocable.

(i) Buyer may, without prior notice to Seller, exercise any or all of its set-off rights including those set forth in Section 18.17 and pursuant to any other Repurchase Document. This Section 10.02(i) shall be without prejudice and in addition to any right of set-off, combination of accounts, Lien or other rights to which Buyer is at any time otherwise entitled.

(j) All rights and remedies of Buyer under the Repurchase Documents, including those set forth in Section 18.17, are cumulative and not exclusive of any other rights or remedies that Buyer may have and may be exercised at any time when an Event of Default exists. Such rights and remedies may be enforced without prior judicial process or hearing. Seller agrees that nonjudicial remedies are consistent with the usages of the trade, are responsive to commercial necessity and are the result of a bargain at arm's-length. Seller hereby expressly waives any defenses Seller might have to require Buyer to enforce its rights by judicial process or otherwise arising from the use of nonjudicial process, disposition of any or all of the Purchased Assets, or any other election of remedies.

ARTICLE 11

SECURITY INTEREST

Section 11.01 Grant. Buyer and Seller intend that the Transactions be sales to Buyer of the Purchased Assets and not loans from Buyer to Seller secured by the Purchased Assets. However, to preserve and protect Buyer's rights with respect to the Purchased Assets and under the Repurchase Documents if any Governmental Authority recharacterizes any Transaction with respect to a Purchased Asset as other than a sale, and as security for Seller's

performance of the Repurchase Obligations, Seller hereby grants to Buyer a present Lien on and security interest in all of the right, title and interest of Seller in, to and under (i) the Purchased Assets (which for this purpose shall be deemed to include the items described in clause (B) of the proviso in the definition thereof) and (ii) each Mezzanine Loan assigned to Buyer pursuant to Section 3.01(j), and the transfer of the Purchased Assets to Buyer shall be deemed to constitute and confirm such grant, to secure the payment and performance of the Repurchase Obligations (including the obligation of Seller to pay the Repurchase Price, or if the related Transaction is recharacterized as a loan, to repay such loan for the Repurchase Price).

Section 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 Seller, (c) without limiting the generality of the foregoing, Buyer shall be entitled to set off the proceeds of the liquidation of the Purchased Assets against all of the Repurchase Obligations, without prejudice to Buyer's right to recover any deficiency, (d) the possession by Buyer or any of its agents, including Custodian, of the Purchased Asset Documents, the Purchased Assets and such other items of property as constitute instruments, money, negotiable documents, securities or chattel paper shall be deemed to be possession by the secured party for purposes of perfecting such security interest under the UCC and Requirements of Law, and (e) notifications to Persons (other than Buyer) holding such property, and acknowledgments, receipts or confirmations from Persons (other than Buyer) holding such property, shall be deemed notifications to, or acknowledgments, receipts or confirmations from, securities intermediaries, bailees or agents (as applicable) of the secured party for the purpose of perfecting such security interest under the UCC and Requirements of Law. The security interest of Buyer granted herein shall be, and Seller hereby represents and warrants to Buyer that it is, a first priority perfected security interest. For the avoidance of doubt, (i) each Purchased Asset secures the Repurchase Obligations of Seller with respect to all other Transactions and all other Purchased Assets, including any Purchased Assets that are junior in priority to the Purchased Asset in question, and (ii) if an Event of Default exists, no Purchased Asset will be released from Buyer's Lien or transferred to Seller until the Repurchase Obligations are indefeasibly paid in full. Notwithstanding the foregoing, the Repurchase Obligations shall be full recourse to Seller.

Section 11.03 Seller to Remain Liable. Buyer and Seller agree that the grant of a security interest under this Article 11 shall not constitute or result in the creation or assumption by Buyer of any Retained Interest or other obligation of Seller or any other Person in connection with any Purchased Asset, whether or not Buyer exercises any right with respect thereto. Seller shall remain liable under the Purchased Assets and the Purchased Asset Documents to perform all of Seller's duties and obligations thereunder to the same extent as if the Repurchase Documents had not been executed.

Section 11.04 Waiver of Certain Laws. Seller agrees, to the extent permitted by Requirements of Law, that neither it nor anyone claiming through or under it will set up, claim or

seek to take advantage of any 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 any part thereof, or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereof, and Seller, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may be lawful so to do, the benefit of all such laws and any and all right to have any of the properties or assets constituting the Purchased Assets 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 as an entirety or in such parcels as Buyer or such court may determine.

ARTICLE 12

BENCHMARK REPLACEMENT; INCREASED COSTS; CAPITAL ADEQUACY

Section 12.01 Benchmark Replacement; Market Disruption.

(a) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Repurchase Document, with respect to any Transaction, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then the Benchmark Replacement will replace the then-current Benchmark with respect to each affected Transaction for all purposes hereunder or under any Repurchase Document in respect of such Benchmark setting and subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Repurchase Document.

(b) Benchmark Replacement Conforming Changes. In connection with the implementation of a Benchmark Replacement, Buyer will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Repurchase Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of Seller or any other party to this Agreement or any other Repurchase Document.

(c) Notices; Standards for Decisions and Determinations. Buyer will notify Seller of (i) the implementation of any Benchmark Replacement, and (ii) the effectiveness of any Benchmark Replacement Conforming Changes. Any determination, decision or election that may be made by Buyer pursuant to this Section 12.01, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its sole discretion and without consent from Seller or any other party to this Agreement or any other Repurchase Document.

(d) Market Disruption. Notwithstanding the foregoing, if prior to any Pricing Period, Buyer determines that, by reason of circumstances affecting the relevant market (other than a Benchmark Transition Event), adequate and reasonable means do not exist for

ascertaining any Applicable SOFR for such Pricing Period, Buyer shall give prompt notice thereof to Seller, whereupon the Pricing Rate for such Pricing Period with respect to each Transaction based on such Applicable SOFR, and for all subsequent Pricing Periods for Transactions based on such Applicable SOFR until such notice has been withdrawn by Buyer, shall be the sum of (i) an alternate benchmark rate that has been selected by Buyer, (ii) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected by Buyer and (iii) the applicable Pricing Margin.

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 and the Maturity Date shall be deemed to have occurred, (b) if required by such adoption or change, the Pricing Rate shall be the sum of (i) an alternate benchmark rate that has been selected by Buyer, (ii) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected by Buyer and (iii) the applicable Pricing Margin, and (c) if required by such adoption or change, the Maturity Date shall be deemed to have occurred. In exercising the rights and remedies under this Section 12.02, Buyer shall treat Seller in a manner that is substantially similar to the manner it treats other similarly situated sellers in facilities with substantially similar assets.

Section 12.03 Breakfunding. In the event of (a) the failure by Seller to terminate any Transaction after Seller has given a notice of termination pursuant to Section 3.04, (b) any payment to Buyer on account of the outstanding Repurchase Price, including a payment made pursuant to Section 3.04 but excluding a payment made pursuant to Section 5.02, on any day other than a Remittance Date (based on the assumption that Buyer funded its commitment with respect to the Transaction in the London Interbank Eurodollar market and using any reasonable attribution or averaging methods that Buyer deems appropriate and practical), (c) any failure by Seller to sell Eligible Assets to Buyer after Seller has notified Buyer of a proposed Transaction and Buyer has agreed to purchase such Eligible Assets in accordance with this Agreement, or (d) any redetermination of the Pricing Rate based on a Benchmark Replacement for any reason on a day that is not the last day of the then-current Pricing Period, Seller shall compensate Buyer for the cost and expense attributable to such event. A certificate of Buyer setting forth any amount or amounts that Buyer is entitled to receive pursuant to this Section 12.03 shall be delivered to Seller and shall be conclusive to the extent calculated in good faith and absent manifest error. Seller shall pay Buyer the amount shown as due on any such certificate within ten (10) days after receipt thereof.

Section 12.04 Increased Costs. If the adoption of, or any change in, any Requirements of Law or in the interpretation or application thereof by any Governmental Authority, or compliance by Buyer with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority having jurisdiction over Buyer made after the date of this Agreement, shall: (a) subject Buyer to any Taxes (other than

(i) Indemnified Taxes, (ii) Taxes described in clauses (b) through (d) of the definition of "Excluded Taxes" and (iii) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto, (b) impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of Buyer, or (c) impose on Buyer any other condition (other than Taxes); and the result of any of the preceding clauses (a), (b) and (c) is to increase the cost to Buyer, by an amount that Buyer deems to be material, of entering into, continuing or maintaining Transactions, or to reduce any amount receivable under the Repurchase Documents in respect thereof, then, in any such case, upon not less than thirty (30) days' prior written notice to Seller, Seller shall pay to Buyer such additional amount or amounts as reasonably necessary to fully compensate Buyer for such increased cost or reduced amount receivable. In determining any additional amounts due under this Section 12.04, Buyer shall treat Seller in a manner that is substantially similar to the manner it treats other similarly situated sellers in facilities with substantially similar assets.

Section 12.05 Capital Adequacy. If Buyer determines that any change in any Requirements of Law or internal policy regarding capital requirements has or would have the effect of reducing the rate of return on Buyer's capital as a consequence of this Agreement or its obligations under the Transactions hereunder to a level below that which Buyer could have achieved but for such change in any Requirements of Law or internal policy (taking into consideration Buyer's policies with respect to capital adequacy), then from time to time Seller will promptly upon demand pay to Buyer such additional amount or amounts as will compensate Buyer for any such reduction suffered. In determining any additional amounts due under this Section 12.05, Buyer shall treat Seller in a manner that is substantially similar to the manner it treats other similarly situated sellers in facilities with substantially similar assets.

Section 12.06 Taxes.

(a) Any and all payments by or on account of any obligation of Seller under any Repurchase Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law requires the deduction or withholding of any Tax from any such payment, then Seller shall make (or cause to be made) such deduction or withholding and shall timely pay (or cause to be timely paid) the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by Seller shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 12.06) Buyer receives an amount equal to the sum it would have received had no such deduction or withholding been made in respect of such Indemnified Taxes.

(b) Seller shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Seller shall indemnify Buyer, within ten (10) Business Days after written demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 12.06) payable or paid by Buyer or required to be withheld or deducted from a payment to Buyer, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to Seller by Buyer shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Taxes by Seller to a Governmental Authority pursuant to this Section 12.06, Seller shall deliver to Buyer the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to Buyer.

(e) (A) If Buyer is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Repurchase Document, Buyer shall deliver to Seller, at the time or times reasonably requested by Seller, such properly completed and executed documentation reasonably requested by Seller as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, Buyer, if reasonably requested by Seller, shall deliver such other documentation prescribed by applicable law or reasonably requested by Seller as will enable Seller to determine whether or not Buyer is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 12.06(e)(ii)(A), Section 12.06(e)(ii)(B) and Section 12.06(e)(ii)(D) below) shall not be required if in Buyer's reasonable judgment such completion, execution or submission would subject Buyer to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of Buyer.

(ii) Without limiting the generality of the foregoing:

(A) if Buyer is a U.S. Person, it shall deliver to Seller on or prior to the date on which Buyer becomes a Party under this Agreement (and from time to time thereafter upon the reasonable request of Seller), executed copies of IRS Form W-9 certifying that Buyer is exempt from U.S. federal backup withholding tax;

(B) if Buyer is a Foreign Buyer, it shall, to the extent it is legally entitled to do so, deliver to Seller (in such number of copies as shall be requested by Seller) on or prior to the date on which Buyer becomes a Party under this Agreement (and from time to time thereafter upon the reasonable request of Seller), whichever of the following is applicable:

(I) in the case of a Foreign Buyer claiming the benefits of an income tax treaty to which the United States is a party, (x) with respect to

payments of interest under any Repurchase Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E (as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Repurchase Document, IRS Form W-8BEN or IRS Form W-8BEN-E (as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(II) executed copies of IRS Form W-8ECI;

(III) in the case of a Foreign Buyer claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit H-1 to the effect that such Foreign Buyer is not a "bank" within the meaning of section 881(c)(3)(A) of the Code, a "10 percent shareholder" of Seller within the meaning of section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E (as applicable); or

(IV) to the extent a Foreign Buyer is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-2 or Exhibit H-3 or IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Buyer is a partnership and one or more direct or indirect partners of such Foreign Buyer are claiming the portfolio interest exemption, such Foreign Buyer may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-4 on behalf of each such direct and indirect partner;

(C) if Buyer is a Foreign Buyer, it shall, to the extent it is legally entitled to do so, deliver to Seller (in such number of copies as shall be requested by Seller) on or prior to the date on which such Foreign Buyer becomes a Party under this Agreement (and from time to time thereafter upon the reasonable request of Seller), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit Seller to determine the withholding or deduction required to be made; and

(D) if a payment made to Buyer under any Repurchase Document would be subject to U.S. federal withholding Tax imposed by FATCA if Buyer were to fail to comply with the applicable reporting requirements of FATCA

(including those contained in section 1471(b) or 1472(b) of the Code, as applicable), Buyer shall deliver to Seller at the time or times prescribed by law and at such time or times reasonably requested by Seller such documentation prescribed by applicable law (including as prescribed by section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Seller as may be necessary for Seller to comply with its obligations under FATCA and to determine that Buyer has complied with Buyer's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include all amendments made to FATCA after the date of this Agreement.

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

(f) If any Party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 12.06 (including by the payment of additional amounts pursuant to this Section 12.06), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 12.06 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this Section 12.06(f) (*plus* any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 12.06(f), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 12.06(f) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This Section 12.06(f) shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(g) For the avoidance of doubt, for purposes of this Section 12.06, the term "applicable law" includes FATCA.

Section 12.07 Payment and Survival of Obligations. Buyer may at any time send Seller a notice showing the calculation of any amounts payable pursuant to this Article 12, and Seller shall pay such amounts to Buyer within ten (10) Business Days after Seller receives such notice. Each Party's obligations under this Article 12 shall survive any assignment of rights by, or the replacement of Buyer, the termination of the Transactions, the termination of this

Agreement, and the repayment, satisfaction or discharge of all obligations under any Repurchase Document.

ARTICLE 13

INDEMNITY AND EXPENSES

Section 13.01 Indemnity.

(a) Seller shall release, defend, indemnify and hold harmless Buyer, Affiliates of Buyer and its and their respective officers, directors, shareholders, partners, members, owners, employees, agents, attorneys, Affiliates and advisors (each an "Indemnified Person" and collectively the "Indemnified Persons"), against, and shall hold each Indemnified Person harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, fees, costs, out-of-pocket expenses (including reasonable legal fees, charges, and disbursements of any counsel for any such Indemnified Person and expenses), penalties or fines of any kind that may be imposed on, incurred by or asserted against any such Indemnified Person (collectively, the "Indemnified Amounts") in any way relating to, arising out of or resulting from or in connection with (i) the Repurchase Documents, the Purchased Asset Documents, the Purchased Assets, the Pledged Collateral, the Transactions, any Mortgaged Property or related property, or any action taken or omitted to be taken by any Indemnified Person in connection with or under any of the foregoing, or any transaction contemplated hereby or thereby, or any amendment, supplement or modification of, or any waiver or consent under or in respect of any Repurchase Document, any Transaction, any Purchased Asset, any Purchased Asset Document, or any Pledged Collateral, (ii) any claims, actions or damages by an Underlying Obligor or lessee with respect to a Purchased Asset, (iii) any violation or alleged violation of, non–compliance with or liability under any Requirements of Law, (iv) ownership of, Liens on, security interests in or the exercise of rights or remedies under any of the items referred to in the preceding clause (i), (v) any accident, injury to or death of any person or loss of or damage to property occurring in, on or about any Mortgaged Property or on the adjoining sidewalks, curbs, parking areas, streets or ways, (vi) any use, nonuse or condition in, on or about, or possession, alteration, repair, operation, maintenance or management of, any Mortgaged Property or on the adjoining sidewalks, curbs, parking areas, streets or ways, (vii) any failure by Seller to perform or comply with any Repurchase Document, Purchased Asset Document or Purchased Asset, (viii) performance of any labor or services or the furnishing of any materials or other property in respect of any Mortgaged Property or Purchased Asset, (ix) any claim by brokers, finders or similar Persons claiming to be entitled to a commission in connection with any lease or other transaction involving any Repurchase Document, Purchased Asset or Mortgaged Property, (x) the execution, delivery, filing or recording of any Repurchase Document, Purchased Asset Document or any memorandum of any of the foregoing, (xi) any Lien or claim arising on or against any Purchased Asset or related Mortgaged Property under any Requirements of Law or any liability asserted against Buyer or any Indemnified Person with respect thereto, (xii) (1) a past, present or future violation or alleged violation of any Environmental Laws in connection with any Mortgaged Property by any Person or other source, whether related or unrelated to

Seller or any Underlying Obligor, (2) any presence of any Materials of Environmental Concern in, on, within, above, under, near, affecting or emanating from any Mortgaged Property in violation of Environmental Law, (3) the failure to timely perform any Remedial Work required under the Purchased Asset Documents or pursuant to Environmental Law, (4) any past, present or future activity by any Person or other source, whether related or unrelated to Seller or any Underlying Obligor in connection with any actual, proposed or threatened use, treatment, storage, holding, existence, disposition or other release, generation, production, manufacturing, processing, refining, control, management, abatement, removal, handling, transfer or transportation to or from any Mortgaged Property of any Materials of Environmental Concern at any time located in, under, on, above or affecting any Mortgaged Property, in each case, in violation of Environmental Law, (5) any past, present or future actual Release (whether intentional or unintentional, direct or indirect, foreseeable or unforeseeable) to, from, on, within, in, under, near or affecting any Mortgaged Property by any Person or other source, whether related or unrelated to Seller or any Underlying Obligor, in each case, in violation of Environmental Law, (6) the imposition, recording or filing or the threatened imposition, recording or filing of any Lien on any Mortgaged Property with regard to, or as a result of, any Materials of Environmental Concern or pursuant to any Environmental Law, or (7) any misrepresentation or failure to perform any obligations pursuant to any Repurchase Document or Purchased Asset Document relating to environmental matters in any way, (xiii) the Term Sheet or any business communications or dealings between the Parties relating thereto, or (xiv) Seller's conduct, activities, actions and/or inactions in connection with, relating to or arising out of any of the foregoing clauses of this Section 13.01, that, in each case, results from anything whatsoever other than any Indemnified Person's gross negligence or intentional misconduct, as determined by a court of competent jurisdiction pursuant to a final, non-appealable judgment. In any suit, proceeding or action brought by an Indemnified Person in connection with any Purchased Asset for any sum owing thereunder, or to enforce any provisions of any Purchased Asset, Seller shall defend, indemnify and hold such Indemnified Person harmless from and against all expense, loss or damage suffered by reason of any defense, set-off, counterclaim, recoupment or reduction of liability whatsoever of the account debtor or Underlying Obligor arising out of a breach by Seller of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such account debtor or Underlying Obligor from Seller. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 13.01 applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by Seller, an Indemnified Person or any other Person or any Indemnified Person is otherwise a party thereto and whether or not any Transaction is entered into. This Section 13.01(a) shall not apply with respect to Taxes other than any Taxes that represent losses, claims or damages arising from any non-Tax claim.

(b) If for any reason the indemnification provided in this Section 13.01 is unavailable to the Indemnified Person or is insufficient to hold an Indemnified Person harmless, even though such Indemnified Person is entitled to indemnification under the express terms hereof, then Seller shall contribute to the amount paid or payable by such Indemnified Person as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative benefits received by such Indemnified Person on the one hand and Seller on the other

hand, the relative fault of such Indemnified Person, and any other relevant equitable considerations.

(c) An Indemnified Person may at any time send Seller a notice showing the calculation of Indemnified Amounts, and Seller shall pay such Indemnified Amounts to such Indemnified Person within ten (10) Business Days after Seller receives such notice. The obligations of Seller under this Section 13.01 shall apply (without duplication) to assignees and Participants hereunder and survive the termination of this Agreement.

Section 13.02 Expenses. Seller shall promptly pay to or as directed by Buyer all third-party out-of-pocket costs and expenses (including legal, accounting and advisory fees and expenses) incurred by Buyer in connection with (a) the development, evaluation, preparation, negotiation, execution, consummation, delivery and administration of, and any amendment, supplement or modification to, or extension, renewal or waiver of, the Repurchase Documents and the Transactions, (b) any Asset or Purchased Asset, including pre-purchase and/or ongoing due diligence, inspection, testing, review, recording, registration, travel custody, care, insurance or preservation, (c) the enforcement of the Repurchase Documents or the payment or performance by Seller of any Repurchase Obligations, and (d) any actual or attempted sale, exchange, enforcement, collection, compromise or settlement relating to the Purchased Assets.

ARTICLE 14

INTENT

Section 14.01 Safe Harbor Treatment. The Parties intend (a) for this Agreement and each Transaction to qualify for the safe harbor treatment provided by the Bankruptcy Code and for Buyer to be entitled to all of the rights, benefits and protections afforded to Persons under the Bankruptcy Code with respect to a "repurchase agreement" as defined in Section 101(47) of the Bankruptcy Code (to the extent that a Transaction has a maturity date of less than one (1) year) and a "securities contract" as defined in Section 741(7) of the Bankruptcy Code and that payments and transfers under this Agreement constitute transfers made by, to or for the benefit of a financial institution, financial participant or repo participant within the meaning of Section 546(e) or 546(f) of the Bankruptcy Code, (b) for the Guarantee Agreement and the Pledge Agreement each to constitute a security agreement or arrangement or other credit enhancement within the meaning of Section 101 of the Code related to a "securities contract" as defined in Section 741(7)(A)(xi) of the Bankruptcy Code and, to the extent that the Guarantee Agreement and the Pledge Agreement relate to a Transaction that has a maturity date of less than one (1) year, a "repurchase agreement" as that term is defined in Section 101(47)(A)(v) of the Bankruptcy Code, and (c) that Buyer (for so long as Buyer is a "financial institution," "financial participant," "repo participant," "master netting participant" or other entity listed in Section 555, 559, 561, 362(b)(6), 362(b)(7) or 362(b)(27) of the Bankruptcy Code) 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. With respect to any Mezzanine Loan, it is the intent of Buyer and Seller that the grant of the security interest set forth in Section 11.01 of this Agreement, including the grant of a security interest in the Mezzanine Loans, constitutes "a security agreement or arrangement or other credit enhancement" that is related to the Agreement and the Transactions thereunder within the meaning of Sections 101(47)(A)(v) and 741(7)(A)(xi) of the Bankruptcy Code.

Section 14.02 Liquidation. The Parties intend that Buyer's right to liquidate Purchased Assets delivered to it in connection with Transactions hereunder or to exercise any setoff and netting rights under Section 18.17 or any other remedies pursuant to Articles 10 and 11 and as otherwise provided in the Repurchase Documents is a contractual right to liquidate such Transactions as described in Sections 555, 559 and 561 of the Bankruptcy Code.

Section 14.03 Qualified Financial Contract. The Parties intend that if a Party is an "insured depository institution," as such term is defined in the Federal Deposit Insurance Act, as amended ("FDIA"), then each Transaction hereunder is a "qualified financial contract," as that term is defined in FDIA and any rules, orders or policy statements thereunder (except insofar as the type of assets subject to such Transaction would render such definition inapplicable).

Section 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 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, Seller may designate one or more Servicers reasonably acceptable to Buyer, and each such Person shall have only such servicing obligations with respect to such Purchased Assets as are approved by Buyer. Notwithstanding the preceding sentence, Buyer agrees with Seller as follows with respect to the servicing of the Purchased Assets:

(a) Each Servicer shall service the Purchased Assets on behalf of Buyer. Each Servicing Agreement shall contain provisions which are consistent with this Article 17 and must otherwise be in form and substance satisfactory to Buyer, it being understood that in all cases where an Affiliate of Seller is the Servicer, the related Servicing Agreement shall be in the form approved by Buyer.

(b) Unless they have previously done so, Buyer will enter into, and cause each Servicer to enter into, a Servicing Agreement (and a related Servicer Notice, if applicable). Each Servicing Agreement where the Servicer is not Buyer or an Affiliate of Buyer shall automatically terminate on the 30th day following its execution and at the end of each thirty (30) day period thereafter, unless, in each case, Buyer shall agree, by prior written notice (which may be by email) to the related Servicer to be delivered on or before the Remittance Date immediately preceding each such scheduled termination date, to extend the termination date an additional thirty (30) days. Neither Seller nor the related Servicer may assign its rights or obligations under the related Servicing Agreement without the prior written consent of Buyer.

(c) Notwithstanding that Buyer owns all Servicing Rights, subject to Sections 17.01(b) and 17.01(e), Buyer hereby grants Seller, prior to the occurrence and during the continuance of an Event of Default, the right to direct each Servicer under the terms of, and in accordance with, each applicable Servicing Agreement and this Agreement (subject to Seller's obligation to obtain Buyer's prior consent to each Material Modification as provided in this Agreement). Notwithstanding the foregoing, Seller shall not direct any Servicer to (i) make any Material Modification without the prior written consent of Buyer or (ii) take any action which

would result in a violation of the obligations of any Person under the related Servicing Agreement, this Agreement or any other Repurchase Document, or which would otherwise be inconsistent with the rights of Buyer under the Repurchase Documents. Buyer, as owner of the Purchased Assets, shall own all related servicing and voting rights and, as owner, shall act as servicer with respect to the Purchased Assets, subject to an interim revocable license from Buyer in favor of Seller, which is hereby granted, to direct each related Servicer, so long as no Event of Default has occurred and is continuing; provided, however, that Seller shall not give any direction or take any action that could materially adversely affect the value or collectability of any amounts due with respect to the Purchased Assets without the consent of Buyer. Such revocable license is not evidence of any ownership or other interest or right of Seller in any Purchased Asset.

(d) The servicing fee payable to each Servicer shall be payable as a servicing fee in accordance with this Agreement and each Servicing Agreement, including without limitation pursuant to priority *fourth* of Section 5.02 or priority *third* of Section 5.03, as applicable, but all such servicing and any applicable sub-servicing fees shall be the sole responsibility of Seller.

(e) Upon the occurrence and during the continuance of an Event of Default under this Agreement, in addition to all of the other rights and remedies of Buyer and each related Servicer under each Servicing Agreement, this Agreement and the other Repurchase Documents (and in addition to the provisions of each Servicing Agreement providing for termination of each such Servicing Agreement pursuant to its terms), (i) for the avoidance of doubt, the right, if any, of any person other than Buyer or its Affiliates to direct the servicing of the Purchased Assets shall immediately and automatically cease to exist, and (ii) either Buyer or each Servicer may at any time terminate the related Servicing Agreement immediately upon the delivery of a written termination notice from either Buyer or the related Servicer to Seller. Seller shall pay all expenses associated with any such termination, including without limitation any fees and expenses required in connection with the transfer of servicing to the related Servicer and/or a replacement Servicer.

(f) No Servicing Agreement may be amended or modified without the prior written approval of Buyer.

Section 17.02 Servicing Reports. Seller shall deliver (or cause each Servicer to deliver or make available) to Buyer and Custodian a monthly remittance report on or before the second Business Day immediately preceding each monthly Remittance Date in Servicer's customary format.

Section 17.03 Event of Default; Servicer Event of Default. If an Event of Default or Servicer Event of Default exists that is not cured by Seller in accordance with the provisions of Section 10.01(o), Buyer shall have the right at any time thereafter to terminate the related Servicing Agreement (or, in the case of an Event of Default, all of the Servicing Agreements) and transfer servicing of the related Purchased Assets to Buyer or its designee, at no cost or expense to Buyer, it being agreed that Seller will pay any fees and expenses required to terminate

such Servicing Agreement and transfer servicing to Buyer or its designee. Notwithstanding anything to the contrary contained herein, if the servicing of the Purchased Assets is transferred to Buyer following a Servicer Event of Default (and not as a result of an Event of Default), then Seller shall retain its right to subsequently designate one or more replacement Servicers to Buyer reasonably acceptable to Buyer as provided in Section 17.01.

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 Seller or its properties in the courts of any jurisdiction. Seller irrevocably and unconditionally waives, to the fullest extent permitted by Requirements of Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to the Repurchase Documents in any court referred to above, and the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court. Each Party irrevocably consents to service of process in the manner provided for notices in Section 18.12. Nothing in this Agreement will affect the right of any Party hereto to serve process in any other manner permitted by applicable law.

Section 18.03 IMPORTANT WAIVERS.

(a) SELLER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO ASSERT A COUNTERCLAIM, OTHER THAN A COMPULSORY COUNTERCLAIM, IN ANY ACTION OR PROCEEDING BROUGHT AGAINST IT BY BUYER OR ANY INDEMNIFIED PERSON.

(b) TO THE EXTENT PERMITTED BY REQUIREMENTS OF LAW, EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE BETWEEN THEM, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, ARISING OUT OF, CONNECTED WITH OR RELATED TO THE REPURCHASE DOCUMENTS, THE PURCHASED ASSETS, THE PLEDGED COLLATERAL, THE TRANSACTIONS, ANY DEALINGS OR COURSE OF CONDUCT BETWEEN THEM, OR ANY STATEMENTS (WRITTEN OR ORAL) OR OTHER ACTIONS OF EITHER PARTY. NEITHER PARTY WILL SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. INSTEAD, ANY SUCH DISPUTE RESOLVED IN COURT WILL BE RESOLVED IN A BENCH TRIAL WITHOUT A JURY.

(c) TO THE EXTENT PERMITTED BY REQUIREMENTS OF LAW, NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT OR THE REPURCHASE DOCUMENTS, EACH OF BUYER AND SELLER HEREBY WAIVES ANY RIGHT TO CLAIM OR RECOVER IN ANY LITIGATION WHATSOEVER OR OTHERWISE INVOLVING ANY INDEMNIFIED PERSON, ANY SPECIAL, EXEMPLARY, PUNITIVE, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND OR NATURE WHATSOEVER OR ANY DAMAGES OTHER THAN OR IN ADDITION TO ACTUAL DAMAGES, WHETHER SUCH WAIVED DAMAGES ARE BASED ON STATUTE, CONTRACT, TORT, COMMON LAW OR ANY OTHER LEGAL THEORY, WHETHER THE LIKELIHOOD OF SUCH DAMAGES WAS KNOWN AND REGARDLESS OF THE FORM OF THE CLAIM OF ACTION. NO INDEMNIFIED PERSON OR OTHER PARTY SHALL BE LIABLE FOR ANY DAMAGES ARISING FROM THE USE BY UNINTENDED RECIPIENTS OF ANY INFORMATION OR OTHER MATERIALS DISTRIBUTED BY IT THROUGH TELECOMMUNICATIONS, ELECTRONIC OR OTHER INFORMATION TRANSMISSION SYSTEMS IN CONNECTION WITH ANY REPURCHASE DOCUMENT OR THE TRANSACTIONS.

(d) SELLER CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF BUYER OR AN INDEMNIFIED PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT BUYER OR AN INDEMNIFIED PERSON WOULD NOT SEEK TO ENFORCE ANY OF THE WAIVERS IN THIS SECTION 18.03 IN THE EVENT OF LITIGATION OR OTHER CIRCUMSTANCES. THE SCOPE OF SUCH WAIVERS IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT

MATTER OF THE REPURCHASE DOCUMENTS, REGARDLESS OF THEIR LEGAL THEORY.

(e) EACH PARTY ACKNOWLEDGES THAT THE WAIVERS IN THIS SECTION 18.03 ARE A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT SUCH PARTY HAS ALREADY RELIED ON SUCH WAIVERS IN ENTERING INTO THE REPURCHASE DOCUMENTS, AND THAT SUCH PARTY WILL CONTINUE TO RELY ON SUCH WAIVERS IN THEIR RELATED FUTURE DEALINGS UNDER THE REPURCHASE DOCUMENTS. EACH PARTY FURTHER REPRESENTS AND WARRANTS THAT IT HAS REVIEWED SUCH WAIVERS WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS RIGHT TO A JURY TRIAL AND OTHER RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

(f) THE WAIVERS IN THIS SECTION 18.03 ARE IRREVOCABLE, MEANING THAT THEY MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND SHALL APPLY TO ANY AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO ANY OF THE REPURCHASE DOCUMENTS. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(g) THE PROVISIONS OF THIS SECTION 18.03 SHALL SURVIVE TERMINATION OF THE REPURCHASE DOCUMENTS AND THE INDEFEASIBLE PAYMENT IN FULL OF THE REPURCHASE OBLIGATIONS.

Section 18.04 Integration; Severability. The Repurchase Documents supersede and integrate all previous negotiations, contracts, agreements and understandings (whether written or oral), including, without limitation, the Term Sheet, between the Parties relating to a sale and repurchase of Purchased Assets and the other matters addressed by the Repurchase Documents, and contain the entire final agreement of the Parties relating to the subject matter thereof. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 18.05 Single Agreement. Seller agrees that (a) each Transaction is in consideration of and in reliance on the fact that all Transactions constitute a single business and contractual relationship, and that each Transaction has been entered into in consideration of the other Transactions, (b) a default by it in the payment or performance of any its obligations under a Transaction shall constitute a default by it with respect to all Transactions, (c) Buyer may set off claims and apply properties and assets held by or on behalf of Buyer with respect to any Transaction against the Repurchase Obligations owing to Buyer with respect to other Transactions, and (d) payments, deliveries and other transfers made by or on behalf of Seller with respect to any Transaction shall be deemed to have been made in consideration of

payments, deliveries and other transfers with respect to all Transactions, and the obligations of Seller to make any such payments, deliveries and other transfers may be applied against each other and netted.

Section 18.06 Survival and Benefit of Seller's Agreements. The Repurchase Documents and all Transactions shall be binding on and shall inure to the benefit of the Parties and their successors and permitted assigns. All of Seller's representations, warranties, agreements and indemnities in the Repurchase Documents shall survive the termination of the Repurchase Documents and the payment in full of the Repurchase Obligations, and shall apply to and benefit all Indemnified Persons, Buyer and its successors and assigns, together with all assignees and Participants hereunder. No other Person shall be entitled to any benefit, right, power, remedy or claim under the Repurchase Documents.

Section 18.07 Reserved.

Section 18.08 Assignments and Participations.

(a) No Seller Party shall sell, assign or transfer any of their respective rights or the Repurchase Obligations or delegate any of their respective duties, in each case, under this Agreement or any other Repurchase Document, as applicable, without the prior written consent of Buyer, and any attempt to do so without such consent shall be null and void.

(b) Buyer may at any time, without the consent of Seller or any other Seven Hills Party, sell participations to any Eligible Assignee (other than a natural person or a Seven Hills Party) (a "Participant") in all or any portion of Buyer's rights and/or obligations under the Repurchase Documents; provided that (x) if a Default or Event of Default has occurred and is continuing, Buyer may sell participations to any Person at any time without consent, notice or restriction of any kind, other than the requirements set forth in clause (iv) below, and (y) so long as no Default or Event of Default has occurred and is continuing: (i) Buyer's obligations under the Repurchase Documents shall remain unchanged, (ii) Buyer shall remain solely responsible to Seller for the performance of such obligations, (iii) Seller shall continue to deal solely and directly with Buyer in connection with Buyer's rights and obligations under the Repurchase Documents and (iv) each Participant agrees to be bound by the confidentiality provisions set forth in Section 18.10. So long as no Default or Event of Default has occurred and is continuing, no Participant shall have any right to approve any amendment, waiver or consent with respect to any Repurchase Document, except to the extent that the Repurchase Price or Price Differential of any Purchased Asset would be reduced or the Repurchase Date of any Purchased Asset would be postponed, nor shall a Participant have the right to approve decisions with respect to Purchased Assets, determine whether any Asset is an Eligible Asset or whether to purchase an Eligible Asset or determine the Market Value of a Purchased Asset. Each Participant shall be entitled to the benefits of Article 12 (subject to the requirements and limitations therein, including the requirements under Section 12.06(e) (it being understood that the documentation required under Section 12.06(e) shall be delivered to the participating Buyer)) and Article 13 to the same extent as if it was a Buyer and had acquired its interest by assignment pursuant to Section 18.08(c), provided that such Participant shall not be entitled to receive any greater payment under

Section 12.04 or Section 12.06 than its participating Buyer would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from the adoption of or any change in any Requirements of Law or in the interpretation or application thereof by a Governmental Authority or compliance by the participating Buyer with a request or directive (whether or not having the force of law) from a central bank or other Governmental Authority having jurisdiction over such participating Buyer, in each case made or issued after the Participant acquired the applicable participation. To the extent permitted by Requirements of Law, each Participant shall also be entitled to the benefits of Sections 10.02(i) and 18.17 to the same extent as if it was a Buyer and had acquired its interest by assignment pursuant to Section 18.08(c).

(c) Buyer may at any time, without the consent of any Seller Party but upon notice to Seller, sell and assign all or any portion of all of the rights and obligations of Buyer under the Repurchase Documents to any Eligible Assignee proposed by Buyer; provided that if a Default or Event of Default has occurred and is continuing, Buyer may enter into any such sale and assignments with any Person at any time without consent, notice or restriction of any kind. Each such assignment shall be made pursuant to an Assignment and Acceptance substantially in the form of Exhibit E (an "Assignment and Acceptance"). From and after the effective date of such Assignment and Acceptance, (i) each such assignee shall be a Party and, to the extent provided therein, have the rights and obligations of Buyer under the Repurchase Documents with respect to the percentage and amount of the Repurchase Price allocated to it, (ii) Buyer shall, to the extent provided therein, be released from such obligations (and, in the case of an Assignment and Acceptance covering all or the remaining portion of Buyer's rights and obligations under the Repurchase Documents, Buyer shall cease to be a Party), (iii) the obligations of Buyer shall be deemed to be so reduced, and (iv) Buyer will give prompt written notice thereof (including identification of the related assignee and the amount of Repurchase Price allocated to it) to each Party (but Buyer shall not have any liability for any failure to timely provide such notice). Any sale or assignment by Buyer of rights or obligations under the Repurchase Documents that does not comply with this Section 18.08(c) shall be treated for purposes of the Repurchase Documents as a sale by such Buyer of a participation in such rights and obligations in accordance with Section 18.08(b).

(d) Seller shall cooperate with Buyer in connection with any such sale and assignment of participations, syndications or assignments and shall enter into such restatements of, and amendments, supplements and other modifications to, the Repurchase Documents to give effect to any such sale or assignment; provided, that none of the foregoing shall change any economic or other material term of the Repurchase Documents in a manner adverse to Seller without the consent of Seller and any such cooperation shall be at no cost to Seller.

(e) Subject to the terms and conditions of Sections 18.08(b) and 18.08(c), Buyer shall have the right to partially or completely syndicate any or all of its rights under this Agreement and the other Repurchase Documents to any Eligible Assignee.

(f) Buyer, acting solely for this purpose as a non-fiduciary agent of Seller, shall maintain a copy of each Assignment and Acceptance and a register for the recordation of

the names and addresses of the assignees that become Parties hereto and, with respect to each such 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.

(g) If Buyer sells a participation of its rights hereunder, it shall, acting solely for this purpose as a non-fiduciary agent of Seller, maintain a register on which it enters the name and address of each Participant and, with respect to each such Participant, the aggregate participated Purchase Price and applicable Price Differential, and any other interest in any obligations under the Repurchase Documents (the "Participant Register"); provided that no Party shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any obligations under any Repurchase Document) to any Person except to the extent that such disclosure is necessary to establish that such obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and the participating Party shall treat each Person whose name is recorded in the Participant Register as the owner of the applicable participation for all purposes of this Agreement notwithstanding any notice to the contrary.

Section 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 Seller or any other Seven Hills Party, but subject to the provisions of this Article 18, engage in repurchase transactions with the Purchased Assets or otherwise sell, pledge, repledge, transfer, hypothecate, or rehypothecate the Purchased Assets to any Eligible Assignee, all on terms that Buyer may determine; provided, that no such transaction shall affect the obligations of Buyer to transfer the Purchased Assets to Seller on the applicable Repurchase Dates free and clear of any pledge, Lien, security interest, encumbrance, charge or other adverse claim. In the event Buyer engages in a repurchase transaction with any of the Purchased Assets or otherwise pledges or hypothecates any of the Purchased Assets, Buyer shall have the right to assign to Buyer's counterparty any of the applicable representations or warranties herein and the remedies for breach thereof, as they relate to the Purchased Assets that are subject to such repurchase transaction.

Section 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, and who need and will use such information exclusively in connection with administering this Agreement and the Transactions hereunder, (b) to the extent requested or required by any regulatory authority, stock exchange, government department or agency, or required by Requirements of Law, in which case, the disclosing Party agrees, to the extent permitted by the Requirements of Law, to inform the other Party promptly thereof, (c) to the extent required to be included in the financial statements of either Party or an Affiliate thereof, (d) to the extent required to exercise any rights or remedies under the Repurchase Documents, Purchased Assets or Mortgaged Properties, (e) to the extent required to consummate and administer a Transaction, (f) to any actual or prospective Participant or Eligible Assignee which agrees to comply with this Section 18.10, and (g) to the extent required in connection with any litigation between the parties in connection with any Repurchase Document or any Transaction; provided, that, (i) except with respect to the disclosures by Buyer under clause (g) of this Section 18.10, no such disclosure made with respect to any Repurchase Document shall include a copy of such Repurchase Document to the extent that a summary would suffice, but if it is necessary for a copy of any Repurchase Document to be disclosed, all pricing and other economic terms set forth therein shall be redacted before disclosure to the extent same does not violate Requirements of Law and (ii) Buyer acknowledges it has received notice from Seller in accordance with this Section 18.10 that Guarantor is required to attach copies of this Agreement and the Guarantee Agreement in connection with certain filings required pursuant to the Exchange Act.

Section 18.11 No Implied Waivers; Amendments. No failure on the part of Buyer to exercise, or delay in exercising, any right or remedy under the Repurchase Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right or remedy thereunder preclude any further exercise thereof or the exercise of any other right. The rights and remedies in the Repurchase Documents are cumulative and not exclusive of any rights and remedies provided by law. Application of the Default Rate after an Event of Default shall not be deemed to constitute a waiver of any Event of Default or Buyer's rights and remedies with respect thereto, or a consent to any extension of time for the payment or performance of any obligation with respect to which the Default Rate is applied. Except as otherwise expressly provided in the Repurchase Documents, neither Seller nor any of its Affiliates shall agree to any amendment, waiver or other modification of any provision of the Repurchase Documents without the signed agreement of Buyer. Any waiver or consent under the Repurchase Documents shall be effective only if it is in writing and only in the specific instance and for the specific purpose for which given.

Section 18.12 Notices and Other Communications. Unless otherwise provided in this Agreement, all notices, consents, approvals, requests and other communications required or permitted to be given to a Party hereunder shall be in writing and sent prepaid by hand delivery, by certified or registered mail, by expedited commercial or postal delivery service, or by facsimile or email if also sent by one of the foregoing, to the address for such Party specified in Annex 1 or such other address as such Party shall specify from time to time in a notice to the other Party. Any of the foregoing communications shall be effective when delivered, if such delivery occurs on a Business Day; otherwise, each such communication shall be effective on the

first Business Day following the date of such delivery. A Party receiving a notice that does not comply with the technical requirements of this Section 18.12 may elect to waive any deficiencies and treat the notice as having been properly given.

Section 18.13 Counterparts; Electronic Transmission. This Agreement and any other Repurchase Document may be executed in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all of which shall together constitute but one and the same instrument. The Parties agree that this Agreement, any documents to be delivered pursuant to this Agreement, any other Repurchase Document and any notices hereunder may be transmitted between them by email and/or facsimile. The Parties intend that faxed signatures and electronically imaged signatures such as .pdf files shall constitute original signatures and are binding on all parties.

Section 18.14 No Personal Liability. No administrator, incorporator, Affiliate, owner, member, partner, stockholder, officer, director, employee, agent or attorney of Buyer, any Indemnified Person, or Seller Party, as such, shall be subject to any recourse or personal liability under or with respect to any obligation of Buyer or any Seller Party 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 and each Seller Party under the Repurchase Documents are solely their respective corporate, limited liability company or partnership obligations, as applicable, and that any such recourse or personal liability is hereby expressly waived. This Section 18.14 shall survive the termination of the Repurchase Documents and the repayment in full of the Repurchase Obligations, and each beneficiary of this Section 18.14 shall be a third-party beneficiary of this Section 18.14 with rights to enforce this Section.

Section 18.15 Protection of Buyer's Interests in the Purchased Assets; Further Assurances.

(a) Seller shall take such action as necessary to cause the Repurchase Documents and/or all financing statements and continuation statements and any other necessary documents covering the right, title and interest of Buyer to the Purchased Assets to be promptly recorded, registered and filed, and at all times to be kept recorded, registered and filed, all in such manner and in such places as may be required by law fully to preserve and protect such right, title and interest. Seller shall deliver to Buyer file–stamped copies of, or filing receipts for, any document recorded, registered or filed as provided above, as soon as available following such recording, registration or filing. Seller shall execute any and all documents reasonably required to fulfill the intent of this Section 18.15.

(b) Seller will promptly at its expense execute and deliver such instruments and documents and take such other actions as Buyer may reasonably request from time to time in order to perfect, protect, evidence, exercise and enforce Buyer's rights and remedies under and with respect to the Repurchase Documents, the Transactions and the Purchased Assets, provided that no such documents shall increase Seller's obligations or decrease Seller's rights beyond what is contemplated under the Repurchase Documents. Each Seller Party shall, promptly upon

Buyer's request, deliver documentation in form and substance satisfactory to Buyer which Buyer deems necessary or desirable to evidence compliance with all applicable "know your customer" due diligence checks, including, but not limited to, any information required to be obtained by Buyer pursuant to the Beneficial Ownership Regulation.

(c) If Seller fails to perform any of its Repurchase Obligations, then Buyer may (but shall not be required to), upon written notice to Seller, perform or cause to be performed such Repurchase Obligation, and the costs and expenses incurred by Buyer in connection therewith shall be payable by Seller. Without limiting the generality of the foregoing, Seller authorizes Buyer, at the option of Buyer and the expense of Seller, at any time and from time to time, to take all actions and pay all amounts that Buyer deems necessary or appropriate to protect, enforce, preserve, insure, service, administer, manage, perform, maintain, safeguard, collect or realize on the Purchased Assets and Buyer's Liens and interests therein or thereon and to give effect to the intent of the Repurchase Documents. No Default or Event of Default shall be cured by the payment or performance of any Repurchase Obligation by Buyer on behalf of Seller. Buyer may make any such payment in accordance with any bill, statement or estimate procured from the appropriate public office or holder of the claim to be discharged without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax assessment, sale, forfeiture, tax Lien, title or claim except to the extent such payment is being contested in good faith by Seller in appropriate proceedings and against which adequate reserves are being maintained in accordance with GAAP.

(d) Without limiting the generality of the foregoing, Seller will no earlier than six (6) months or later than three (3) months before the fifth (5^{th}) anniversary of the date of filing of each UCC financing statement filed in connection with any Repurchase Document or any Transaction, if this Agreement is then in effect (i) deliver and file or cause to be filed an appropriate continuation statement with respect to such financing statement (provided that Buyer may elect to file such continuation statement), and (ii) deliver or cause to be delivered to Buyer an opinion of counsel, in form and substance reasonably satisfactory to Buyer, confirming and updating the security interest opinion delivered pursuant to Section 6.01(a) with respect to perfection and otherwise to the effect that the security interests hereunder continue to be enforceable and perfected security interests, and Buyer's rights to the Purchased Assets, are senior to the rights of any other creditor of Seller, which opinion may contain usual and customary assumptions, limitations and exceptions.

(e) Except as provided in the Repurchase Documents, the sole duty of Buyer, Custodian or any other designee or agent of Buyer with respect to the Purchased Assets shall be to use reasonable care in the custody, use, operation and preservation of the Purchased Assets in its possession or control. Buyer shall incur no liability to Seller or any other Person for any act of Governmental Authority, act of God or other destruction in whole or in part or negligence or wrongful act of custodians or agents selected by Buyer with reasonable care, or Buyer's failure to provide adequate protection or insurance for the Purchased Assets. Buyer shall have no obligation to take any action to preserve any rights of Seller in any Purchased Asset against prior parties, and Seller hereby agrees to take such action. Buyer shall have no obligation to realize

upon any Purchased Asset except through proper application of any distributions with respect to the Purchased Assets made directly to Buyer or its agent(s). So long as Buyer and Custodian shall act in good faith in their handling of the Purchased Assets, Seller waives or is deemed to have waived the defense of impairment of the Purchased Assets by Buyer and Custodian.

Section 18.16 Default Rate. To the extent permitted by Requirements of Law, Seller shall pay interest at the Default Rate on the amount of all Repurchase Obligations not paid when due under the Repurchase Documents until such Repurchase Obligations are paid or satisfied in full.

Section 18.17 Set-off. In addition to any rights now or hereafter granted under the Repurchase Documents, Requirements of Law or otherwise, Seller hereby grants to Buyer and each Indemnified Person, to secure repayment of the Repurchase Obligations, a right of set-off upon any and all of the following: monies, securities, collateral or other property of Seller and any proceeds from the foregoing, now or hereafter held or received by Buyer, any Affiliate of Buyer or any Indemnified Person, for the account of Seller, whether for safekeeping, custody, pledge, transmission, collection or otherwise, and also upon any and all deposits (general, specified, special, time, demand, provisional or final) and credits, claims or Indebtedness of Seller at any time existing, and any obligation owed by Buyer or any Affiliate of Buyer to Seller and to set–off against any Repurchase Obligations or Indebtedness owed by Seller and any Indebtedness owed by Buyer or any Affiliate of Buyer to Seller, in each case whether direct or indirect, absolute or contingent, matured or unmatured, whether or not arising under the Repurchase Documents and irrespective of the currency, place of payment or booking office of the amount or obligation and in each case at any time held or owing by Buyer, any Affiliate of Buyer or any Indemnified Person to or for the credit of Seller, without prejudice to Buyer's right to recover any deficiency. Each of Buyer, each Affiliate of Buyer and each Indemnified Person is hereby authorized upon any amount becoming due and payable by Seller to Buyer or any Indemnified Person under the Repurchase Documents, the Repurchase Obligations or otherwise or upon the occurrence of an Event of Default, without notice to Seller, any such notice being expressly waived by Seller to the extent permitted by any Requirements of Law, to set–off, appropriate, apply and enforce such right of set–off against any and all items hereinabove referred to against any amounts owing to Buyer, any Affiliate of Buyer or any Indemnified Person by Seller under the Repurchase Documents and the Repurchase Obligations, irrespective of whether Buyer, any Affiliate of Buyer or any Indemnified Person shall have made any demand under the Repurchase Documents and regardless of any other collateral securing such amounts, and in all cases without waiver or prejudice of Buyer's rights to recover a deficiency. Seller shall be deemed directly indebted to Buyer, any Affiliate of Buyer and the other Indemnified Persons in the full amount of all amounts owing to Buyer, any Affiliate of Buyer and the other Indemnified Persons by Seller under the Repurchase Documents and the Repurchase Obligations, and Buyer shall be entitled to exercise the rights of set–off provided for above. ANY AND ALL RIGHTS TO REQUIRE BUYER, ANY AFFILIATE OF BUYER OR ANY OTHER INDEMNIFIED PERSONS TO EXERCISE THEIR RIGHTS OR REMEDIES WITH RESPECT TO THE PURCHASED ASSETS, THE PLEDGED COLLATERAL OR OTHER INDEMNIFIED PERSONS UNDER THE REPURCHASE DOCUMENTS, PRIOR TO

EXERCISING THE FOREGOING RIGHT OF SET–OFF, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED BY SELLER.

Buyer, any Affiliate of Buyer or any Indemnified Person shall promptly notify the Seller after any such set-off and application made by Buyer, any Affiliate of Buyer or such Indemnified Person, provided that the failure to give such notice shall not affect the validity of such set–off and application. If an amount or obligation is unascertained, Buyer, any Affiliate of Buyer or any Indemnified Person may in good faith estimate that obligation and set-off in respect of the estimate, subject to the relevant party accounting to the other party when the amount or obligation is ascertained. Nothing in this Section 18.17 shall be effective to create a charge or other security interest. This Section 18.17 shall be without prejudice and in addition to any right of set-off, combination of accounts, Lien or other rights to which Buyer, any Affiliate of Buyer or any Indemnified Person is at any time otherwise entitled.

Section 18.18 Seller's Waiver of Set-off. Seller hereby waives any right of set-off it may have or to which it may be or become entitled under the Repurchase Documents or otherwise against Buyer, any Affiliate of Buyer, any Indemnified Person or their respective assets or properties.

Section 18.19 Power of Attorney. Seller hereby authorizes Buyer to file such financing statement or statements relating to the Purchased Assets (including a financing statement describing the collateral as "all assets of the debtor" or such other super-generic description thereof as Buyer may determine) without Seller's signature thereon as Buyer, at its option, may deem appropriate (provided, no such statements other than a financing statement filed with the applicable recording or filing office naming Seller as debtor shall be recorded or filed in the public records other than pursuant to an exercise of Buyer's remedies under Section 10.02(c)). During the continuance of an Event of Default, Seller hereby appoints Buyer as Seller's agent and attorney in fact to file any such financing statement or statements in Seller's name and to perform all other acts which Buyer deems appropriate to perfect and preserve its ownership interest in and/or the security interest granted hereby, if applicable, and to protect, preserve and realize upon the Purchased Assets, including, but not limited to, the right to endorse notes, complete blanks in documents, transfer servicing (including, but not limited, to sending "good-bye letters" to any Underlying Obligor with respect to Purchased Assets which are Whole Loans, each to be in a form acceptable to Buyer), and sign assignments on behalf of such Seller as its agent and attorney in fact. This agency and power of attorney is coupled with an interest and is irrevocable without Buyer's consent. Seller shall pay the filing costs for any financing statement or statements prepared pursuant to this Section 18.19. In addition, Seller shall execute and deliver to Buyer a power of attorney in the form and substance of Exhibit C hereto ("Power of Attorney").

Section 18.20 Periodic Due Diligence Review. Buyer may perform continuing due diligence reviews with respect to any or all of the Purchased Assets, Seller and any other Seven Hills Party, including ordering new third party reports, for purposes of, among other things, verifying compliance with the representations, warranties, covenants, agreements, duties, obligations and specifications made under the Repurchase Documents or otherwise. Upon

reasonable prior notice to Seller, Buyer or its representatives may during normal business hours inspect any properties and examine, inspect and make copies of the books and records of Seller and any other Seven Hills Party, the Purchased Asset Documents and the Servicing Files. Seller shall make available to Buyer one or more knowledgeable financial or accounting officers and representatives of the independent certified public accountants of Seller for the purpose of answering questions of Buyer concerning any of the foregoing. Seller shall cause Servicer to cooperate with Buyer by permitting Buyer to conduct due diligence reviews of the Servicing Files. Buyer may purchase Purchased Assets from Seller based solely on the information provided by Seller to Buyer in the Underwriting Package and the representations, warranties, duties, obligations and covenants contained herein, and Buyer may at any time conduct a partial or complete due diligence review on some or all of the Purchased Assets, including ordering new credit reports and, subject to the last sentence hereof, 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. Seller agrees to reimburse Buyer for any and all third-party out-of-pocket costs and expenses (including reasonable legal fees and expenses) actually incurred by Buyer in connection with continuing due diligence on Eligible Assets and Purchased Assets, including, without limitation, the cost of Appraisals requested by Buyer pursuant to Section 8.08(k) on the Mortgaged Properties relating to the Purchased Assets; provided that, other than in connection with Buyer's review of any Material Modification or any other release of collateral relating to a Purchased Asset, no more than one (1) Appraisal per Purchased Asset, in any twelve (12) month period, shall be ordered at Seller's cost and expense.

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 Reserved

Section 18.23 PATRIOT Act Notice. Buyer hereby notifies Seller that Buyer is required by the PATRIOT Act to obtain, verify and record information that identifies Seller.

Section 18.24 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. Seller and Buyer each have in place internal policies and procedures that expressly prohibit their purchase of any high cost mortgage loan.

Section 18.26 Maintenance of Financial Covenants. To the extent that Guarantor is obligated under any other repurchase agreement, loan agreement, warehouse facility, guaranty or similar credit facility involving the financing of commercial real estate assets which are similar to the Purchased Assets (whether now in effect or in effect at any time during the term of this Agreement) to comply with a financial covenant that is comparable to any of the financial

covenants set forth in this Agreement or in any other Repurchase Document, and such comparable financial covenant is more restrictive to Guarantor or otherwise more favorable to the related lender or buyer thereunder than any financial covenant set forth in this Agreement or in any other Repurchase Document, or is in addition to any financial covenant set forth in this Agreement or in any other Repurchase Document, then such comparable or additional financial covenant shall, with no further action required on the part of the Seller Parties or Buyer, automatically become a part of this Agreement or in such other Repurchase Document and be incorporated herein and/or therein, and Guarantor shall maintain compliance with such comparable or additional financial covenant at all times throughout the remaining term of this Agreement. In connection therewith, each Seller Party agrees to promptly notify Buyer of the execution of any agreement or other document that would cause the provisions of this Section 18.26 to become effective. Each Seller Party further agrees to execute and deliver any new guaranties, agreements or amendments to this Agreement or any other Repurchase Document necessary to evidence all such new or modified provisions, provided that the execution of such amendment shall not be a precondition to the effectiveness of such amendment, but shall merely be for the convenience of the parties hereto and thereto.

Section 18.27 Recognition of the U.S. Special Resolution Regimes.

(a) In the event that Buyer becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from Buyer of this Agreement and/or the Repurchase Documents, and any interest and obligation in or under this Agreement and/or the Repurchase Documents, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement and/or the Repurchase Documents, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that Buyer or a BHC Act Affiliate of Buyer becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement and/or the Repurchase Documents that may be exercised against Buyer are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement and/or the Repurchase Documents were governed by the laws of the United States or a state of the United States.

[ONE OR MORE UNNUMBERED SIGNATURE PAGES FOLLOW]

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

SELLER:

SEVEN HILLS WF LENDER LLC

By:
Name:
Title:

BUYER:

WELLS FARGO BANK, NATIONAL ASSOCIATION

By:
Name:
Title:

Exhibit 19.1

Seven Hills Realty Trust

Insider Trading Policies and Procedures

To promote compliance with applicable insider trading laws and to protect our reputation for integrity and ethical conduct, we have adopted these insider trading policies and procedures, which we refer to as our "insider trading policy."

When we refer to the "Company" we are referring to Seven Hills Realty Trust and its subsidiaries. When we refer to "RMR" we are referring to The RMR Group Inc. ("RMR Inc."), The RMR Group LLC ("RMR LLC") and RMR LLC's subsidiaries.

Our insider trading policy applies to trustees, directors, officers and employees, as applicable, of the Company, RMR and Tremont Realty Capital LLC, the Company's manager ("Tremont"), who we refer to as "Covered Persons" or "you". All Covered Persons are expected to comply with the specific provisions of our insider trading policy that are applicable to them as well as those applicable to their family members. It is also our policy that the Company will not engage in transactions in securities of the Company ("Company Securities") while aware of material, non-public information relating to such company.

A. *General Prohibition on Insider Trading*.

You may not directly or indirectly engage in any transaction involving the purchase or sale of Company Securities while aware of material, non-public information concerning the Company. Securities are broadly defined to include common shares, any other equity and debt securities, as well as any related derivative securities.

What is Material Information? Information is considered "material" if a reasonable investor would consider that information important in making a decision to buy, hold or sell securities. Any information that could be expected to affect a company's stock price, whether it is positive or negative, should be considered material. There is no bright-line standard for assessing materiality; rather, materiality is based on an assessment of all of the facts and circumstances, and is often evaluated by enforcement authorities with the benefit of hindsight. While it is not possible to define all categories of material information, some examples of information that ordinarily would be regarded as material are: earnings projections; a proposed material acquisition, divestiture or joint venture; a restructuring; a change in dividend policy; material financings; a change in management or the Board of Trustees; pending or threatened material litigation; or a material cybersecurity incident.

When is Information Considered Public? Information is considered "public" once it has been widely disseminated, for example through newswire services, a news website or public disclosure documents filed with the U.S. Securities and Exchange Commission (the "SEC") that are available on the SEC's website. Even after information is widely disseminated, it is still considered "non-public" until the investing public has had sufficient time to absorb the information. As a general rule, information should not be considered fully absorbed by the marketplace until the opening of business on the second trading day after the day on which the information is released. If, for example, the Company were to make an announcement after the market closes on a Monday, you should not trade Company Securities until the opening of business on Wednesday.

Tipping. The prohibition against insider trading applies to (i) tipping, i.e., disclosing material, non-public information to another person within the Company whose job does not require that person to have that information or another person outside of the Company, including, but not limited to, family, friends, business associates, investors and others, unless the disclosure is made in accordance with the Company's policies regarding the protection or authorized external disclosure of information regarding the Company and (ii) making recommendations to purchase or sell any Company Securities on the basis of material, non-public information.

Transactions by Entities that You Influence or Control. Our insider trading policy applies to any entities that you influence or control, including any corporations, limited liability companies, partnerships or trusts. Transactions in Company Securities by a controlled entity should be treated for the purposes of our insider trading policy and applicable securities laws as if they were for your own account.

Transactions by Family Members and Others. Our insider trading policy applies to: (i) your family members who reside with you (including a spouse, a child, a child away at college, stepchildren, grandchildren, parents, stepparents, grandparents, siblings and in-laws); (ii) anyone else who lives in your household; and (iii) any family members who do not live in your household but whose transactions in Company Securities are directed by you or are subject to your influence or control. You are responsible for the transactions of these other persons and therefore should make them aware of the need to confer with you before they trade in Company Securities, and you should treat all such transactions for the purposes of our insider trading policy and applicable securities laws as if the transactions were for your own account. Our insider trading policy does not, however, apply to personal securities transactions of a family member who resides with you where the purchase or sale decision is made by a third party not controlled by, influenced by or related to you or such family member.

Other Public Companies. The prohibition against insider trading also applies to trading in the securities of publicly traded companies other than the Company if you have material, non-public information with respect to such company, including information you may have learned in the course of performing your duties for the Company.

Restricted Stock Awards. Our insider trading policy does not apply to the vesting of restricted common shares of the Company, or the exercise of a tax withholding right pursuant to which you elect to have the Company withhold common shares to satisfy tax withholding requirements upon the vesting of any restricted common shares of the Company. Our insider trading policy does apply, however, to any sale in the open market of common shares of the Company, including to satisfy tax withholding requirements.

Dividend Reinvestment Plan. Our insider trading policy does not apply to regular reinvestment of dividends in Company Securities you make pursuant to a dividend reinvestment plan offered by the Company or by your bank or brokerage firm at which you hold your Company Securities. Our insider trading policy does apply, however, to your election to participate in a dividend reinvestment plan and to any additional voluntary purchases of Company Securities resulting from additional contributions you choose to make to a dividend reinvestment plan in excess of the cash dividends you receive. Our insider trading policy also applies to your sale of Company Securities purchased pursuant to the dividend reinvestment plan.

Purchases from or Sales to the Company. Our insider trading policy does not apply to any other purchase of Company Securities from the issuer of such securities or sales of Company Securities to the issuer of such securities.

Termination of Service. Our insider trading policy continues to apply to transactions in Company Securities even after termination of (i) RMR's services to the Company or (ii) your service to the Company or RMR. If a Covered Person is in possession of material, non-public information when such service is terminated, that Covered Person may not trade in Company Securities until that information has become public or is no longer material. Individuals subject to a blackout period under Section C below at the time of termination of service may not trade in Company Securities until after the end of the blackout period. The pre-clearance procedures in Section B below, however, will cease to apply upon termination of your service to the Company or RMR.

Gifts. All gifts of Company Securities are transactions subject to our insider trading policy and may not be made while the person making the gift is aware of material, non-public information, and you are required to obtain pre-clearance of the gift if you are subject to the pre-clearance procedures in Section B below.

B. *Pre-clearance Procedures*.

To promote compliance with the general prohibition on insider trading, we have adopted the following procedures:

Approval for Transactions in Company Securities.

Trustees, directors and any senior level officer of the Company or RMR (including the head of investor relations and any officer of the level of Senior Vice President or above of RMR or Tremont) must obtain authorization to buy or sell Company Securities, from at least two individuals designated for that purpose by our Managing Trustees, using our "Authorization to Trade" form (or such other manner of providing the information called for by our "Authorization to Trade" form). The individuals currently designated with this approval authority are any Managing Trustee, the President, the Chief Financial Officer and the Secretary of the Company, which list may be updated from time to time. No designated individual may act to authorize his or her own trades, agreements or trading plans.

You may obtain an "Authorization to Trade" form on RMR's SharePoint website. You should submit for approval any request for an authorization to trade at least two business days in advance of when you wish to receive approval.

Approval for Transactions in Covered Public Company Securities. Covered Persons may not buy or sell securities of RMR Inc. or any other public company to which Tremont, RMR LLC or their affiliates provide management services (a "Covered Public Company"), except in accordance with the procedures established by the applicable Covered Public Company for such transactions. Copies of the applicable Covered Public Company's procedures may be obtained from our Secretary.

Any authorization granted under this Section B, (i) will be limited to a specified dollar or share amount, (ii) will either expire at a specified date or, if no date is specified, will expire automatically after four calendar days, and (iii) may be revoked at any earlier time by notice to you. If a request for authorization is denied, the fact of such denial must be kept confidential by you.

The procedures described above have been adopted for the benefit of the Company to promote compliance with securities laws. The granting of any such authorization under this Section B does not relieve you of your legal responsibilities not to purchase or sell shares or other securities while in possession of material, non-public information and otherwise to comply with applicable securities and other laws in connection with trading in securities.

C. *Prohibited Transactions*.

Certain types of transactions may increase exposure to legal risks for the Company and you and may create the appearance of impropriety or inappropriate conduct. Therefore, Covered Persons may not engage in the following transactions, except as noted below:

Short sales. You may not, directly or indirectly through your family members or others, engage in any short sale of any Company Securities. Short sales of shares of a company are transactions where you borrow shares, sell the borrowed shares and then buy shares at a later date to replace the borrowed shares. Short sales may evidence an expectation on your part that the shares will decline in value and therefore have the potential to signal to the market that you lack confidence in the company. They may also reduce your incentive to seek to improve the company's performance.

Publicly traded options. You may not engage in any transaction in any publicly traded option related to any Company Securities. Given the short term of publicly traded options, transactions in these options may create the appearance that your trading is based on material, non-public information and may focus you on short term performance at the expense of the company's long term objectives.

Hedging transactions. You may not engage in any hedging transaction related to any Company Securities. Certain forms of hedging transactions with respect to a company would allow you to own securities without the full risk and reward of ownership, which may result in you no longer having the same objectives as the company's other shareholders.

Margin accounts and pledges. You may not hold any Company Securities in a margin account or pledge any such securities as collateral for a loan without the approval of our Managing Trustees. Securities held in a margin account may be sold by the broker without your consent if you fail to meet a margin call. Similarly, securities pledged as collateral for a loan may be sold if you default on the loan. These sales may occur at a time when you are aware of material, non-public information or otherwise not permitted to trade such securities.

Standing and Limit Orders. You may not place standing or limit orders on Company Securities without the approval of our Managing Trustees. Standing and limit orders create heightened risks for insider trading violations because there is no control over the timing of purchases or sales that result from standing instructions to a broker, and as a result, the broker could execute a transaction when you possess material, non-public information.

D. *Blackout Periods*.

All members of the Board of Trustees, the executive officers and the Secretary of the Company, all members of the board of directors of RMR Inc. and Tremont, all executive officers of RMR and Tremont and certain other individuals designated from time to time by (i) a Managing Trustee or (ii) the Secretary of the Company (such members of the Board of Trustees and the board of directors, executive officers and designated individuals, collectively, the "Company Insiders") are subject to the following blackout

periods, during which they may not buy or sell, or otherwise trade in, or agree to buy, sell or otherwise trade in, including by entering into a share trading plan such as a 10b5-1 trading plan with respect to, any Company Securities:

Quarterly Blackout. The period surrounding the Company's announcement of its quarterly financial results is a particularly sensitive period of time for transactions in Company Securities from the perspective of compliance with applicable securities laws. During these periods, Company Insiders may possess or be presumed to possess material, non-public information about the Company's financial results. Accordingly, Company Insiders are subject to quarterly blackout periods beginning 15 days prior to the close of each fiscal quarter and ending as of the opening of trading of the principal securities exchange on which the Company's common shares are listed for trading on the second trading day following the public release of the Company's earnings for that quarter. During a quarterly blackout period, Company Insiders may not, directly or indirectly through a family member or others, buy or sell, or otherwise trade in, or agree to buy, sell or otherwise trade in, Company Securities in open market transactions or through a broker, including by entering into a share trading plan such as a 10b5-1 trading plan with respect to Company Securities.

Other Blackout Periods. From time to time, you may become aware of other types of material, non-public information regarding the Company. Prior to public disclosure of such information, the Company may impose a special blackout period during which Company Insiders may not, directly or indirectly through a family member or others, buy or sell, or otherwise trade in, or agree to buy, sell or otherwise trade in, Company Securities in open market transactions or through a broker, including by entering into a share trading plan such as a 10b5-1 trading plan with respect to Company Securities. If the Company imposes a special blackout period, it will notify the applicable Company Insiders. Company Insiders subject to a special blackout period may not disclose the existence of the blackout period to any other person. In addition, you may be informed from time to time by the Company, Tremont or RMR of certain companies that are on a restricted trading list, and you must comply with those restrictions as well.

Trading Window. Company Insiders may only conduct transactions in Company Securities during the trading window beginning as of the opening of trading of the principal securities exchange on which the Company's common shares are listed for trading on the second business day following the public release of the Company's quarterly earnings and ending 15 days prior to the close of the then current fiscal quarter, and then only upon receipt of prior written authorization in accordance with the procedures set forth in Section B of our insider trading policy and subject to any special blackout period and the restrictions in Section C of our insider trading policy.

Trading in Company Securities during the trading window should not be considered a "safe harbor," and Company Insiders should use good judgment at all times. Even during a trading window, Company Insiders must obtain prior approval for all purchases, sales and other trades in accordance with Section B of our insider trading policy and may not purchase, sell or otherwise trade Company Securities while in possession of material, non-public information.

The quarterly trading restrictions and, except as otherwise determined by the Company, event-driven trading restrictions do not apply to:

- transactions conducted pursuant to an approved Rule 10b5-1 trading plan entered into during a trading window, described below under the heading "Rule 10b5-1 trading plans"; and

- regular reinvestment in Company Securities you make pursuant to a dividend reinvestment plan offered by the Company or by your bank or brokerage firm at which you hold your applicable Company Securities (provided, however, that the restrictions do apply to voluntary purchases of Company Securities resulting from additional contributions you choose to make to a dividend reinvestment plan, and to your election to participate in a dividend reinvestment plan or increase your level of participation in a dividend reinvestment plan).

Exceptions to the quarterly trading restriction may be permitted in individual cases at the discretion of the persons authorized to pre-clear transactions in accordance with Section B of our insider trading policy.

E. *Rule 10b5-1 Trading Plans*.

Company Securities. Rule 10b5-1 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act), provides an affirmative defense from insider trading liability under Rule 10b-5. In order to rely on this defense, a trade must be made pursuant to a pre-arranged, written trading plan that was entered into when you were not aware of material, non-public information and that complies with the requirements of Rule 10b5-1. If you wish to enter into a 10b5-1 trading plan to buy or sell Company Securities, you must obtain prior approval in accordance with Section B of our insider trading policy prior to the adoption of the plan. You may not enter into or amend a Rule 10b5-1 trading plan during a period when you are subject to any blackout period trading restrictions that the Company may impose or you are otherwise in possession of material, non-public information. Trustees and officers of the Company subject to Section 16 of the Exchange Act (collectively, "Section 16 Insiders") should be aware that the Company will be required to make quarterly disclosures regarding all Rule 10b5-1 trading plans entered into, amended or terminated by Section 16 Insiders and to include the material terms of such plans, other than pricing information. Additionally, a Rule 10b5-1 trading plan must comply with the requirements of Rule 10b5-1 (including specified waiting periods and limitations on multiple overlapping plans and single trade plans). Once such plan is adopted, you must not exercise any influence over the amount of Company Securities to be traded, the price at which they are to be traded or the date of the trade; and you may not amend, modify or terminate a 10b5-1 trading plan unless you obtain prior approval in accordance with Section B of our insider trading policy.

In addition, the following considerations apply to individuals who may be deemed "affiliates" of the Company within the meaning of Rule 144 promulgated under the Securities Act of 1933, as amended. For these purposes, "affiliates" include the members of our Board of Trustees and our executive officers. Under Rule 144, an affiliate of the Company is subject to a limitation on the amount of securities that may be sold for his or her account during any three-month period. If an affiliate of the Company with an outstanding 10b5-1 trading plan sells securities outside of the plan and the sales reduce the applicable volume limits under Rule 144, the 10b5-1 trading plan may be deemed modified to the extent that the broker administering the plan is forced to sell fewer securities than would have otherwise been the case. To avoid this situation, Company affiliates must take care to not sell designated plan securities outside of the plan, and further ensure that any sales of securities outside of the 10b5-1 trading plan do not adversely affect the volume limits under Rule 144 to the detriment of plan sales.

You agree to cooperate with us in reporting any trading plan you adopt, as may be required under the securities laws or as we may request.

Covered Public Company Securities. Covered Persons may not enter into a 10b5-1 trading plan with respect to securities of a Covered Public Company, except in accordance with the procedures

established by the applicable Covered Public Company for such 10b5-1 trading plans. Copies of the Covered Public Companies' procedures for 10b5-1 trading plans may be obtained from our Secretary.

F. *Consequences of Violations*

The purchase or sale of Company Securities or Covered Public Company securities while you are aware of material non-public information, or the disclosure of material non-public information to others who then trade in Company Securities or Covered Public Company securities, is prohibited by the federal and state laws. Insider trading violations are pursued vigorously by the SEC, U.S. Attorneys and state enforcement authorities. Punishment for insider trading violations is severe, and could include significant fines and imprisonment.

In addition, your failure to comply with our insider trading policy may subject you to disciplinary action, including termination, whether or not your failure to comply with our insider trading policy results in a violation of law.

December 11, 2024

Exhibit 21.1

SEVEN HILLS REALTY TRUST
SUBSIDIARIES OF THE REGISTRANT

Name	State of Formation, Organization or Incorporation
Floral Vale LLC	Delaware
RMRM RTP Lender LLC	Delaware
RMTG Lender LLC	Delaware
RMTG Lender 2 LLC	Delaware
Seven Hills BH Lender LLC	Delaware
Seven Hills WF Finance LLC	Delaware
Seven Hills WF Lender LLC	Delaware
TRMT CB Lender LLC	Delaware
TRMT TCB Lender LLC	Delaware
TRMT TRS Inc.	Maryland

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-287627 on Form S-8 and Registration Statement No. 333-290401 on Form S-3 of our report dated February 18, 2026, relating to the financial statements of Seven Hills Realty Trust, appearing in this Annual Report on Form 10-K for the year ended December 31, 2025.

/s/ Deloitte & Touche LLP

Boston, Massachusetts
February 18, 2026

Exhibit 31.1

CERTIFICATION PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a)

I, Thomas J. Lorenzini, certify that:

1. I have reviewed this Annual Report on Form 10-K of Seven Hills Realty Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 18, 2026

/s/ Thomas J. Lorenzini

Thomas J. Lorenzini
President and Chief Investment Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a)

I, Matthew C. Brown, certify that:

1. I have reviewed this Annual Report on Form 10-K of Seven Hills Realty Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 18, 2026

/s/ Matthew C. Brown

Matthew C. Brown
Chief Financial Officer and Treasurer

Exhibit 31.3

CERTIFICATION PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a)

I, Matthew P. Jordan, certify that:

1. I have reviewed this Annual Report on Form 10-K of Seven Hills Realty Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 18, 2026

/s/ Matthew P. Jordan

Matthew P. Jordan
Managing Trustee

Exhibit 31.4

CERTIFICATION PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a)

I, Adam D. Portnoy, certify that:

1. I have reviewed this Annual Report on Form 10-K of Seven Hills Realty Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 18, 2026

/s/ Adam D. Portnoy
Adam D. Portnoy
Managing Trustee

Exhibit 32.1

Certification Pursuant to 18 U.S.C. Sec. 1350

In connection with the filing by Seven Hills Realty Trust (the "Company") of the Annual Report on Form 10-K for the period ended December 31, 2025 (the "Report"), each of the undersigned hereby certifies, to the best of his knowledge:

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/ Adam D. Portnoy
Adam D. Portnoy
Managing Trustee

/s/ Thomas J. Lorenzini
Thomas J. Lorenzini
President and Chief Investment Officer

/s/ Matthew P. Jordan
Matthew P. Jordan
Managing Trustee

/s/ Matthew C. Brown
Matthew C. Brown
Chief Financial Officer and Treasurer

Date: February 18, 2026