

Annex I

Loan Eligibility Criteria

The following terms are offered as general and specific eligibility criteria for the review and acceptance of proposed Loans. All loans originated or purchased by Seller in its ordinary course of business and that in all factors comply with the Seller's credit policy and loan origination guidelines shall be considered to be eligible for Participations.

All Loans shall have been originated or purchased by Seller (i) in its ordinary course of business and in all factors shall have complied with the Seller's credit policy and loan origination guidelines then in effect and (ii) in no way that is more restrictive than the regulatory or supervisory limits that are required by the Seller's primary state and federal regulators.

Minimum Yield:

The Loan shall be eligible for purchase if the interest yield, as of the close of business on the Business Day prior to the day Seller sends the Participation Certificate related to such Loan to Buyer and Calculation Agent ("**Participation Send Date**"), meets the following thresholds:

1. For floating rate loans, the minimum interest rate less servicing fees shall be greater than or equal to 75 basis points in excess of the thirty (30) day average Secured Overnight Financing Rate (SOFR) issued by the Federal Reserve Bank of New York as published on the following website:
<https://www.newyorkfed.org/markets/reference-rates/sofr-averages-and-index>; or
2. For fixed rate loans, the minimum interest rate less servicing fees shall be greater than or equal to the like-term US Treasury Par Yield Curve Rate (as published by the US Department of the Treasury on the following website:
<https://home.treasury.gov/policy-issues/financing-the-government/interest-rate-statistics>) plus 30 basis points.

This formula shall be expressed as:

$$\text{LOAN RATE} - \text{SERVICING FEES} \geq \text{BENCHMARK} + \text{SPREAD}$$

In the event a benchmark rate is not available for the Participation Send Date, the latest benchmark rate available on any day preceding the Participation Send Date shall be used. In the event the New York Fed and/or Treasury websites are not available or cannot be accessed, Buyer and/or Calculation Agent may reference an alternative publicly available source.

Preliminary general conditions to be eligible for participation:

1. Loan is currently in good standing with the Seller
2. Loan was made according to the Seller's approved credit and loan policies

3. Properly collateralized and secured (as evidenced by the customary agreements and filings for the creation of a security interest if collateralized), with collateralization calculated as:

Loan principal / Appraised value < Maximum allowable LTV per asset type

For stabilized commercial real estate loans, non-investment real estate business loans and equipment secured loans, the denominator “Appraised Value” will be the “as is” appraised value.

For construction loans, the denominator “Appraised Value” will be the “as renovated/completed” appraised value.

4. Satisfactory cash flow coverage of loan payments (for new construction, satisfactory payment plan during construction and satisfactory pro forma cash flow based on underwriting of the subject property and market fundamentals following completion), with the Seller providing its methodology for, and its calculation of, Debt Service Coverage for each loan as contemplated for each asset type below.

5. Commercial Acquisition, Construction, and Development (“ACD”) loans originated in accordance with the Seller’s standard underwriting procedures may not have any financial covenants, rather they may have an interest reserve sufficient to cover interest only payments during the term of the loan. Whether or not ACD loans have financial covenants, these loans are eligible for sale if either: (i) an interest reserve to cover at least the interest-only period has been established or (ii) the “global” cash flow debt service coverage as set forth in the related loan approval memorandum meets the applicable Debt Service Coverage criteria.

~~5.6.~~ For loans that include a fixed rate period, said fixed period shall not exceed five (5) years (without regard for the overall term of the loan)

~~6.7.~~ No events of default are continuing

~~7.8.~~ No loans to insiders or other person prohibited by Regulation O

~~8.9.~~ All loans meet standard compliance measures and searches.

Preliminary conditions relative to certain loan types:

1. Commercial Construction and Investment Real Estate Secured Loans:

Internal Risk Rating	PASS or better (6 or better)
Loan Type	Amortizing commercial mortgage (not interest only) ; <u>revolving and non-revolving lines of credit; bridge loans; other loan types as may arise from time to time and that are consistent with Seller’s credit policy.</u>

Credit Score(s) Principals	Minimum <u>Lowest minimum average score of 680;</u> <u>(calculated based on the average of a principal's scores; if multiple principals, each will have their own average score and then the lowest average score of the principals will be the baseline);</u> no bankruptcy within last 10 years
LTV (Loan to Value)	Maximum LTV of 75%; appraised value determined by an independent appraiser and reviewed by a third party appraisal management firm to confirm property value and compliance with all FIRREA regulations
Debt Service Coverage	Minimum of 1.20x, as consistently measured by Seller's credit policy <u>If the loan is not a ACD Loan, minimum of 1.20x, as consistently measured by Seller's credit policy.</u> <u>Debt service coverage shall be based on (i) the current or pro forma subject project(s), property(ies), or Borrower's cash flow coverage or (ii) the current or pro forma global (i.e. the Borrower(s) and Guarantor(s) in the aggregate) aggregate cash flow coverage, as determined by the underlying loan approval memo. If the loan is an ACD Loan and a debt service coverage ratio is not required, then such loan shall require either (i) an interest reserve to cover at least the interest only period, or (ii) sufficient "global" cash flow debt service coverage, as set forth in the related loan approval memo, to meet the applicable Debt Service Coverage criteria.</u>
Covenants	Compliance with all financial and affirmative covenants
Default	No current, ongoing, or unresolved event of default, as defined by the loan documentation
Good standing	Account considered to be in good standing at the financial institution

2. Non-Investment Real Estate Business ~~Loan~~ Loans:

Internal Risk Rating	PASS or better (6 or better)
Loan Type(s)	Amortizing commercial mortgage (owner occupied) (not interest only)
Credit Score(s) Principals	Minimum <u>Lowest minimum average score of 680;</u> <u>(calculated based on the average of a principal's scores; if multiple principals, each will have their own average score and then the lowest average score of the principals will be the baseline);</u> no bankruptcy within last 10 years

LTV	Maximum LTV of 80%; appraised value determined by an independent appraiser and reviewed by a third party appraisal management firm to confirm property value and compliance with all FIRREA regulations
Debt Service Coverage	Minimum of 1.20x, as consistently measured by Seller's credit policy. <u>Debt service coverage shall be based on (i) the current or pro forma Borrower's cash flow coverage or (ii) the current or pro forma global (i.e. the Borrower(s) and Guarantor(s) in the aggregate) aggregate cash flow coverage, as determined by the underlying loan approval memo.</u>
Covenants	Compliance with all financial and affirmative covenants
Default	No current, ongoing, or unresolved event of default, as defined by the loan documentation
Good standing	Account considered to be in good standing at the financial institution

3. All Other Loans Made in the Ordinary Course of Business:

Internal Risk Rating	PASS or better (6 or better)
Loan Type(s)	Amortizing term loan (not interest only); commercial mortgage; revolving line and non-revolving lines of credit; bridge loans; other loan types as may arise from time to time and that are consistent with Seller's credit policy.
Credit Score(s) Principals	Minimum Lowest minimum average score of 680; <u>(calculated based on the average of a principal's scores; if multiple principals, each will have their own average score and then the lowest average score of the principals will be the baseline);</u> no bankruptcy within last 10 years
LTV and Advance Rates	Properly collateralized (if secured) based on acceptable advance rates as determined by the Seller's credit policy; periodic reporting of advance rates and borrowing base reports consistent with the Seller's credit policy if required
Debt Service Coverage	Minimum of 1.20x, as consistently measured by Seller's credit policy. <u>Debt service coverage shall be based on (i) the current or pro forma Borrower's cash flow coverage or (ii) the current or pro forma global (i.e. the Borrower(s) and Guarantor(s) in the aggregate) aggregate cash flow coverage, as determined by the underlying loan approval memo.</u>
Covenants	Compliance with all financial and affirmative covenants

Default	No current, ongoing, or unresolved event of default, as defined by the loan documentation
Good standing	Account considered to be in good standing at the financial institution

Annex II

“**Concentration Limits**” means that, with respect to each concentration criteria listed in the following chart, the percentage equal to (i) the aggregate outstanding principal balance of all Participations with the characteristics described by such concentration criteria, divided by (ii) \$100,000,000, shall not exceed the percentage provided for such concentration criteria listed in the column title “Maximum Percent of Debt Ceiling”.

Concentration Criteria	Maximum Percent of Debt Ceiling
Construction Loans	40%
Investment Real Estate	40%
Business Loans	50%
Industry Concentrations*	25% by NAICS
Individual Borrower or Loan	14% by Borrower or Loan
Consumer Loans	15%
Residential Mortgages	20%
Geographic Concentrations***	N/A

**** Excluding Commercial Real Estate Investment NAICS (531390), which is considered in the category “Investment Real Estate” loans*

*** Concentration will be reported on a State basis.*