Operational Risk Assessments
K-Star Asset Management LLC

Morningstar DBRS
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Operational Classification:	Commercial Mortgage Special Servicer
Ranking:	MOR CS2 (Raised)
Trend:	Stable (From Positive)

Rationale

DBRS, Inc. (Morningstar DBRS) raised its commercial mortgage special servicer ranking for K-Star Asset Management LLC (K-Star or the Company) to MOR CS2 from MOR CS3. K-Star is an indirect subsidiary of KKR & Co. Inc. (together with its respective subsidiaries, KKR).

The raised ranking reflects K-Star's growing asset resolution record, highly experienced management team, and well-designed and expanded organizational structure that addresses all essential functions. The Company has increasingly become a central and integrated component of KKR's direct lending and asset management business. K-Star's seasoned professionals, including several who joined from other special servicers, have solid backgrounds in asset workouts, investor reporting for commercial mortgage-backed securities (CMBS) transactions, and the corresponding pooling and servicing agreement (PSA) requirements. K-Star appears to be well positioned with the requisite personnel and scalability to address its current and projected work volume over the next year. Employee turnover has been relatively low.

The raised ranking also considers:

- K-Star's effective technology capabilities that reside in and leverage KKR's extensive, and mostly cloud-based platform. For its core data management and reporting tool for special servicing, K-Star uses RealINSIGHT® (RI), which is a well-recognized application geared to CMBS requirements. Through KKR's resources and platform, K-Star has sound practices for data backup, security, and associated testing.
- The Company's well-detailed CMBS-centric policies that indicate a controlled and proactive approach for all core functions, including loan transfers, asset analytics and resolution approvals, investor reporting, portfolio surveillance, borrower consent requests, and vendor management.
- A multifaceted audit and compliance regimen that consists of monthly process reviews, self-administered quarterly audits, annual Regulation AB examinations, annual System and Organizational Controls (SOC) examinations, and biennial KKR-led audits. Aside from KKR's initial audit of K-Star in 2024, which had only a few moderate-ranked issues that K-Star addressed, all other audits, including the first SOC report issued in 2025, have been unqualified and clear of material exceptions. Using external accounting firms, K-Star also conducts property manager audits for active real estate owned (REO) properties and later this year plans to add cash compliance assessments of sold REO properties.

- The Company's well-structured training function encompasses an internship program and a rigorous two-year analyst training program for undergraduate and postgraduate students.

Trend

Morningstar DBRS changed the trend for the ranking to Stable from Positive. Based on K-Star's solid professional depth, diligent procedures and controls, technology capabilities, and growing performance record, the Company should serve as an adept special servicer for CMBS and other commercial real estate (CRE) structured transactions.

Portfolio Volume

K-Star's named special servicing portfolio consists of CMBS and CRE collateralized loan obligation (CLO) transactions in which KKR-managed funds and financing vehicles maintain control rights and/or own first-loss bond positions.

As of December 31, 2025, K-Star was the named special servicer for 2,050 loans with an aggregate unpaid principal balance (UPB) of $45.29 billion involving 59 CMBS transactions and two CLO transactions. All of the transactions were issued between 2017 and 2025. As of YE2025, the active special servicing portfolio contained 55 loans ($3.07 billion UPB) and six REO assets consisting of 15 properties ($177.8 million UPB).

Exhibit 1 K-Star Special Servicing Portfolio*

	December 31, 2025		December 31, 2024		December 31, 2023	
	UPB (USD Millions)	**Assets**	**UPB (USD Millions)**	**Assets**	**UPB (USD Millions)**	**Assets**
Loan Portfolio	3,067.0	55	1,130.6	42	650.8	31
REO Portfolio	177.8	6‡	35.6	4	35.2	4
Total Active Portfolio	3,244.8	61	1,166.1	46	686.0	35
Named Special Servicer (Volume)**	45,293.3	2,050	44,699.0	1,965	45,701.7	1,908

* Excludes KKR's direct lending portfolio. K-Star received its first assets for special servicing in April 2023.
** As of December 31, 2025, 2,050 CMBS loans in 59 transactions and 22 CRE CLO loans in two transactions.
‡ Six REO asset relationships involving 15 properties.

Company Profile and Business Overview

KKR established Dallas-based K-Star in April 2022. K-Star continues to expand its services for KKR that encompass underwriting/due diligence, value-add asset management, and special servicing in support of KKR's commercial real estate credit business, which involves a direct lending portfolio and investments in CMBS and CRE CLO bond positions. Since its launch, K-Star's staff has grown to more than 80 people across its business lines, which include CMBS special servicing, direct lending asset management, and asset-backed finance asset management. The Company received its first assets for special servicing in April 2023 as the successor special servicer on 57 CMBS and two CRE CLO transactions. It completed its first loan resolution in May 2024.

Formed in 2015, KKR's real estate credit group, through its direct lending and securities portfolios (real estate credit) had approximately $44 billion of U.S. and European assets under management (AUM) across KKR's investment funds and various other capital sources as of March 31, 2026.

The direct lending portfolio includes commercial mortgage real estate investment trusts and other investment funds, financing vehicles and accounts managed by KKR, as well as certain assets of The Global Atlantic Financial Group LLC (Global Atlantic), KKR's insurance subsidiary. The direct lending portfolio includes stabilized and/or transitional/construction assets that may involve not only first mortgage positions but also mezzanine and preferred equity financing structures.

KKR has been one of the largest buyers of CMBS B-pieces since 2017. K-Star currently serves as a CMBS special servicer only for those transactions in which KKR-managed funds, financing vehicles, and accounts have control rights and generally represent the directing certificateholder. The Company is currently not pursuing third-party special servicing but it may assume such a role if a CMBS transaction incurs a control-position change. K-Star also oversees the various third-party primary servicers on KKR's direct lending portfolio, surveils the performance of those loans, and provides certain associated asset management services, including asset workouts.

KKR Overview and Financial Position

Founded in 1976, KKR is a publicly listed (NYSE: KKR) global investment firm that offers alternative asset management as well as capital markets and insurance solutions. KKR sponsors funds that invest in private equity, credit, and real assets and has strategic partners that manage hedge funds. Its insurance subsidiaries offer retirement, life, and reinsurance products through Global Atlantic.

As of March 31, 2026, KKR has approximately 4,800 employees and has 35 offices across four continents. KKR has more than $758 billion in total AUM including $84 billion of AUM in its global real estate business, which began in 2011. KKR's real estate team is composed of over 130 investment and asset management professionals across 10 countries.

K-Star generates revenue principally from value-add asset management and special servicing fees as an integral part of KKR's CRE debt investment business as well as asset management fees from its asset backed finance credit business. Based on its current and projected book of business through KKR, K-Star expects its fee revenue to steadily increase. KKR also provides K-Star with financial support as needed for liquidity and certain capital expenditures.

Operational Infrastructure

Organizational Structure

The K-Star organizational structure covers the Company's CMBS/CRE CLO special servicing assignments as well as much of KKR's global credit asset underwriting and asset management activities, which include not only CRE but also residential and consumer-oriented asset-backed transactions.

K-Star's leadership team consists of the chief executive officer (CEO) and president as well as an executive team respectively overseeing the Company's main functional areas: CMBS/CLO special servicing, credit asset management, operations and compliance, finance and accounting, legal, and technology. Through an administrative services agreement, KKR provides K-Star with personnel and general support for value-add asset management, human resources, technology, finance and accounting, corporate compliance, and facilities.

Special Servicing: This department encompasses four teams: a CMBS/CRE CLO special servicing team; a portfolio analytics, surveillance, and investor/master servicer reporting team; a due diligence team; and a consents team. An asset manager may handle both loans and REO assets. However, with a growing REO portfolio, K-Star is starting to designate certain asset managers as REO specialists. The special servicing team can also leverage expertise from an equity asset management group within K-Star's credit asset management department that supports KKR's direct lending/investment business.

Credit Asset Management: This department handles performing-loan surveillance, reporting, and value-add asset management for KKR's direct lending portfolio. It also liaises with KKR's direct lending external primary servicers. As noted, this department includes an equity real estate/REO team.

Compliance and Administration: K-Star's chief operating officer (COO) oversees this department, which handles all special servicing-related compliance as well as office administration. The department leads K-Star's CMBS PSA compliance efforts, monitors its state licensing and registration filings and reporting, conducts its own internal audits, manages policies and procedures, and coordinates other required externally led audits and examinations. Additionally, the department coordinates and tracks employee training activities.

Finance and Accounting: K-Star's finance and accounting team reports to the CEO and consists of a senior level manager, staff accountant, and a senior financial planning and budgeting associate. The team handles financial and budgetary reporting for the platform, loan-level and transaction-level accounting, and related cash management, including setting up REO bank accounts and processing vendor-related invoices in accordance with KKR's processes, technology applications, and control practices.

Technology: K-Star has a dedicated technology manager who leads a team to oversee data management and software and hardware needs and further advance the technology platform in coordination with KKR's corporate-level technology department and consultants. During the past year, the team has become fully integrated with KKR's technology division.

Legal: This department consists of a general counsel and a transactional associate. The general counsel oversees all legal issues across K-Star, including transactional oversight. The general counsel's duties include overseeing the PSA negotiation process with external counsel, working with the compliance team to draft/revise policies and procedures, advising asset managers, monitoring the status of cases, and serving on K-Star's asset resolution credit committee as a nonvoting member. General counsel also works with the special servicing team to transition incoming special servicing assignments and manage law firms and other vendor contracts. The transactional associate, who has a shared reporting line with the special servicing team head, facilitates the closure of consent requests and provides other support to the general counsel and the special servicing team.

Employee Experience, Hiring, and Turnover

As noted, the management team predominantly comes from well-recognized CMBS special servicers and CRE investment firms. A majority of the employees have joined K-Star from companies based in or with an operations hub in the Dallas area.

As of YE2025, the combined senior and middle management team averaged close to 22 years of experience. The CEO and president had 26 years of experience, the COO had 34 years of experience, the general counsel had more than 22 years of experience, the head of special servicing had 35 years of experience, the head of technology had 29 years of experience, and the head of finance and accounting had 29 years of experience. The CMBS asset managers averaged 16 years of experience. The head of the portfolio analytics and investor reporting group had 17 years of experience.

Exhibit 2 K-Star Average Years of Experience (December 31, 2025)*

	Industry	Company Tenure
Senior Management	28 (6)	<3
Middle Management	16 (7)	<3
Professional Staff	3 (9)	<3
Subset: CMBS Asset Managers	16 (8)	<3
Other Asset Managers (Contingency)**	10 (9)	3.7

* Number of people shown in parentheses.
** Credit asset management personnel.

During 2025, K-Star's employee turnover consisted of three staff-level special servicing departures.

Exhibit 3 K-Star – CMBS Special Servicing Employee Turnover Rates*

	2025	2024
Total Employees—Beginning of Period	22	18
Total Turnover Rate (%)	13.6	5.6
	3 Positions	1 Position
Management Only (%)	0.0	0.0
Staff Only (%)	13.6	5.6
New Hires (# of Positions)	2 (1 Manager)	5 (2 Managers)
Other Adjustments	1	0
Total Employees—End of Period	22	22

*Turnover rates equal departures divided by the number of people at the beginning of the period. Employees counts exclude credit asset management, direct lending, and other non-CMBS special servicing personnel.

Workload Ratios

As of YE2025, based on five CMBS asset managers and excluding the special servicing department head, the assets-to-asset managers ratio was about 12:1. By property count, the ratio was about 30:1. When including three asset analysts, the ratios were 9:1 by asset count and 19:1 by property count. It should be noted that one loan relationship involved a 59-property hotel portfolio.

Assessment: K-Star's solid and expanded staffing depth and well-designed organizational structure, including the shared resources from KKR, should continue to address the Company's projected workflow and reporting requirements over the next year. Employee turnover has been relative low. Having a dedicated borrower consents team is also an operating strength to promote workflow efficiency.

Training

The compliance department oversees a formal training function consisting of live, online, and recorded sessions scheduled throughout the year. The curriculum covers topics in real estate finance, CMBS and special servicing-centric issues, general skills training, and compliance requirements. Training events encompass presentations from externally invited and KKR/K-Star subject matter experts, industry-sponsored seminars, and professional accreditation courses. The Company leverages KKR's web-based training portal of elective and required courses as well. Team meetings and credit committee discussions further serve as a training forum for case studies and procedural issues. New hires also attend onboarding orientation that covers technology, compliance, and other corporate-level requirements.

K-Star expects all special servicing personnel to complete 40 hours of training annually, excluding participation at conferences, and strongly encourages all other employees to achieve the same number of training hours. The compliance department monitors participation through a tracking log that enables managers to review their teams' progress.

Additionally, K-Star provides summer internships and a comprehensive two-year analyst training program for undergraduate and postgraduate students: Analyst trainees enter into one of four program tracks: special servicing (three eight-month rotations in asset management, due diligence/underwriting, and surveillance), credit asset management, direct lending underwriting, or asset-backed finance. The first class of 10 analysts, which included two interns from 2024, began in July 2025. The next analyst class of seven analysts started in July 2026.

Assessment: K-Star has a well-developed training regimen that it continues to enhance. The new analyst training program further demonstrates the Company's commitment to fostering career development and building professional depth.

Audit, Compliance, and Procedural Completeness

Internal Audit and Compliance

Through its compliance department, K-Star has a multifaceted audit and compliance program to ensure adherence with legal, contractual, and regulatory requirements under the applicable PSAs and with KKR's and K-Star's policies and procedures. The audit regimen consists of:

- Monthly quality control reviews and quarterly internal audits covering timeliness and accuracy within various functions and processes. The monthly reviews examine six areas of special servicing, and the quarterly audits involve more formally documented and detailed compliance testing;
- The compliance department's annual risk assessment of the entire platform, which it uses to determine, and modify as needed, the scope and priority of areas and processes subject to the quality control reviews and audits;
- Annual Regulation AB examinations covering the publicly issued CMBS transactions in which K-Star serves as special servicer. To date, K-Star has undergone three Regulation AB examinations and all have been unqualified and free of exceptions;

- Annual SOC 1 Type II examinations. The first SOC report, issued in June 2025, was unqualified and contain no material findings. K-Star expects its next SOC 1 report to be issued in August 2026;
- KKR internal audit department operational reviews of K-Star, which follow a 24-month cycle. The first such audit, completed in Q2 2024, contained only a few moderate-ranked issues, mostly related to KKR's process documentation requirements, which have all been resolved. The next audit is underway with the results expected in Q3 2026; and
- Using external accounting firms, property manager audits conducted quarterly for selected active REO properties as well as cash compliance assessments of sold REO properties. During 2025, K-Star commissioned three such audits.

The features of the asset management system also enable K-Star to self-monitor timeliness and accuracy across a range of tasks. The Company's workflow checklists, tracking reports, and work product templates, as well as its defined delegations of authority and credit committee process, further support the compliance regimen.

Policies and Procedures

The compliance department controls the Company's formal policies and procedures, which are kept as read-only documents on a purchased file management/sharing application. K-Star's policies and procedures are documented in a manual that covers the essential elements and mechanics of CMBS special servicing in accordance with PSA requirements; the delegations of approval authority, which centers on requiring credit committee approval for most types of asset resolutions; and a companion desktop manual of detailed instructional procedures with references to the corresponding use of RI or other applications.

In conjunction with in-house general counsel, the compliance team reviews policies and procedures annually with interim changes made as needed. Department heads also will review drafted revisions to policies and procedures, with various executives providing final sign-off. K-Star employees also are subject to KKR's corporate compliance policies and procedures, which KKR manages through a compliance attestation application.

Assessment: K-Star has a thorough audit and compliance function to effectively monitor the operational risks for its growing special servicing activity. The Company's policies and procedures are well detailed. Along with the PSA abstractions and the corresponding tracking features of the asset management system, they denotes a proactive and controlled approach for CMBS special servicing.

Legal Liability and Corporate Insurance

K-Star has directors and officers, errors and omissions, and fidelity bond insurance policies with highly rated carriers. The insurance program also includes a cybersecurity policy. The Company reported it was not involved in any defensive litigation.

Assessment: K-Star's corporate insurance coverage limits should be satisfactory based on its projected portfolio activity as a named special servicer and relative to other special servicers. The Company's inclusion of cybersecurity coverage also is a standard and best practice. Based on K-Star's representations, Morningstar DBRS is not aware of any material lawsuits related to, or which could potentially impair, the Company's operations.

Technology

Applications

K-Star uses the web-based, cloud-hosted RI application for all special servicing work. Through RI, K-Star can produce the latest CMBS investor-reporting package (IRP) requirements established by the Commercial Real Estate Finance Council (CREFC). RI's functionality includes direct input and storage of asset business plans and status reports, consent and asset resolution workflow management, vendor tracking, loan covenant/trigger event/critical dates tracking, and loan-level activity tracking using file downloads/data feeds from master servicer reports and CMBS data providers. RI also provides for digital approvals, which K-Star has aligned with its authority delegations. The application has document storage capabilities, a menu of standard reports, and produces customizable tracking/quality control reports. RI includes geographic asset mapping and performance dashboards to support analytics.

K-Star's other supporting applications, provided by KKR, include an automated vendor invoice tracking and processing application, which is integrated with KKR's corporate accounting system; a purchased application for file storage and sharing; and Microsoft Office 365. Because RI has many customizable features, K-Star/KKR technology personnel continue to work with a consulting firm to implement enhancements. The technology platform includes a proprietary database and reporting tool that covers KKR's entire real estate credit business, including its held securities.

Staffing, Data Backup, and Disaster Recovery

K-Star's onsite technology team is part of KKR's IT department of more than 200 employees who oversee network management, user support, programming, data backup, and data security. The KKR IT department includes a dedicated team for its real estate business. K-Star stated its technology platform, which resides in KKR's existing infrastructure, is fully cloud-computing based.

KKR conducts annual disaster recovery/business continuity testing, and the most recent test had no material findings. KKR stated that it maintains geographically separate primary/production and backup data centers and uses various technologies to back up the data, replicate it, and store it off-site.

K-Star's business continuity plan identifies event types and covers response management and recovery strategies. Personnel can remotely obtain access to all network applications through a virtual private network and to third-party applications through multifactor authentication. The Company indicated it should have access to all business-critical systems and data and resume all functions within 24 hours of a declared disaster event or business interruption. However, the actual recovery time could be much shorter given KKR's failover design to a secondary data center and real-time network data replication through its cloud services providers.

Data Security

KKR's data security program follows the guidelines of the National Institute of Standards and Technology. A comprehensive information security program (CISP) committee meets quarterly to review potential data security threats and remedies. The Company noted the CISP committee was formed to follow the enterprise-risk management framework for designing, implementing, and evaluating internal controls as established by the Committee of Sponsoring Organizations of the Treadway Commission.

As part of an annual SOC examination and separately, KKR's technology platform also undergoes recurring security assessments. Through KKR, K-Star's data security protocols include

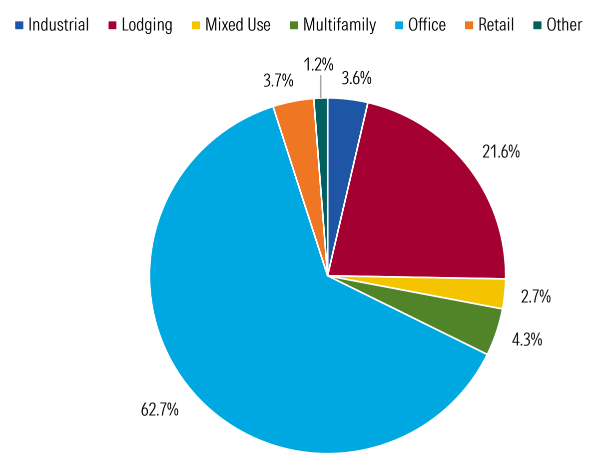
- Technology architecture and risk assessments and penetration tests conducted at least annually.
- A security operations center that monitors potential threats and anomalous activity.
- Monthly and randomized cybersecurity awareness and training campaigns.
- Incident response exercises.
- Strict role-based access controls, including multifactor authentication.
- Continual updating of firewalls, encryption, and malware detection technologies.
- Cybersecurity threat and response simulations.

Assessment: Through the RI application and leveraging KKR's platform, K-Star has solid technology capabilities to manage workflows and effectively meet its data management and reporting requirements, especially for securitized transactions. Based on KKR's stated practices and representations of its technology environment, the Company's data backup, recovery, and security measures appear to be comprehensive.

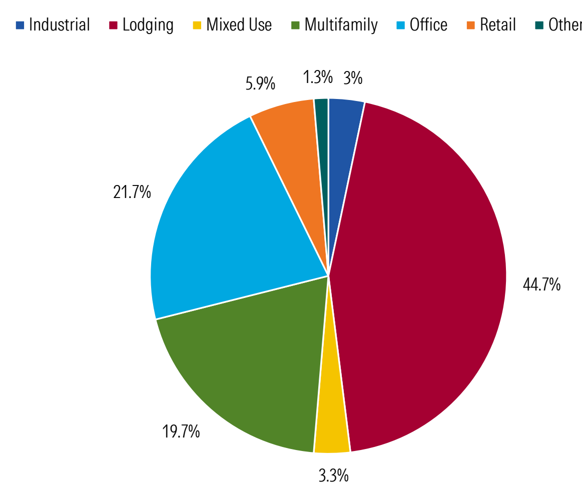
Special Servicing Administration

As of December 31, 2025, the active portfolio involved properties in 24 states plus Washington, D.C.

Exhibit 4 Active Special Servicing by Property Type (UPB)*



Active Special Servicing by Property Type (Property Count)*



* Loans and REO as of December 31, 2025. Range of asset vintage years: 2017–23. Percentages may not equal 100% because of rounding.

Asset Analytics and Resolution Management

Loan Surveillance

Through monthly CREFC IRP file downloads and other information provider data feeds, K-Star maintains information on its RI application for all loans in which it is the named special servicer. K-Star noted its surveillance process, managed through RI tracking reports and the portfolio analytics team, includes reviewing IRP data, such as watchlists and servicers' operating statement analyses; monitoring performance metrics; identifying actual/potential loan covenant breaches and trigger events; and discussing covenant breaches, cash management, and other trigger events as well as potential loan transfer situations with master servicers.

Special Servicing Asset Transfers

For loans transferring into K-Star, the Company's legal department, in conjunction with the special servicing team and compliance department, oversees the intake process of custodial documents and servicing files. The assigned asset manager ensures that RI is properly updated with all critical loan and property data as well as key tickler date alerts. Using a loan transfer checklist, the asset manager conducts a file review of PSA-related requirements, loan-level covenants, the loan's history, and performance issues. As needed and required, K-Star will obtain an updated property inspection, appraisal, and other third-party valuation opinions.

Through this due diligence process, asset managers assess options and strategies to maximize the highest net present value recovery for the trust according to the servicing agreement and the servicing standard. Within 10 days of loan transfer, K-Star sends the borrower a notification letter along with a required prenegotiation and reservation of rights agreement as a prerequisite for workout discussions, as appropriate. The Company noted its legal department has standard form documents for these items.

Within 60 days of transfer, or in less time as specified by the PSA, asset managers will prepare and obtain approval of an initial asset status report (ASR), which also serves as the asset business plan. For pre-existing specially serviced loans, which comprise most of its active portfolio, K-Star also has prepared updated ASRs as the situations warranted. Asset managers also must submit updated ASRs for senior management credit committee approval for foreclosure bids, final resolution terms, and other major asset decisions.

A template in RI enables asset managers to prepare ASRs directly in the application. The Company uses RI's electronic approval functionality, thereby enabling RI to serve as the central tracking tool for each approval request.

The Company stated it monitors outstanding advances against property values and expected recovery amounts. The Company stated that in most instances it will defer to the master servicer for declarations of nonrecoverability. However, K-Star noted it will adhere to the requirements of the governing PSA to provide notification to the master servicer on nonrecoverability determinations and is available to discuss each situation with the master servicer beforehand.

Assessment: Based on K-Star's stated policies and procedures and the management team's strong experience with CMBS transactional requirements, the Company has effective practices for receiving loan transfers, asset analysis, and resolution management. RI's tracking and workflow features also facilitate K-Star's asset analytics and data management controls as the Company steadily leverages more of the application's functionality.

REO Property Management

Asset managers oversee external property managers as well as leasing and marketing agents. As noted, the equity/REO asset management team for the direct lending portfolio serves as a resource to the special servicing asset managers for procuring sales/leasing brokers and devising and executing disposition plans.

Asset managers use a property-takeover checklist when transitioning an asset to REO status to ensure all issues are addressed, including property management, real estate mortgage investment conduit and PSA compliance, and insurance coverage. Recommended property managers and brokers must be approved by senior management and qualify for or already be on K-Star's approved-vendor list.

If not already addressed in the ASR recommending foreclosure, within 120 days of an asset becoming REO, asset managers prepare and obtain approval of an updated ASR delineating the REO business plan and referencing the approved REO operating budget. Specific sales offer terms or other major decisions require asset managers to submit subsequent ASRs/business cases.

Property managers must adhere to K-Star's monthly reporting requirements and procedures as defined in their agreements. The Company also uploads property managers' operating reports to the asset management system to track budget-to-actual property performance and to prepare operating statement analysis reports.

For most REO properties, K-Star controls property-level cash management through dual operating accounts: one for rent collections and one to fund expenses based on approved budgets. For multifamily and certain other cases, K-Star may permit property managers to use a single operating account to collect rents and pay expenses. The finance and accounting department controls account setups, fundings, and cash sweeps.

Asset managers are responsible for monthly account reconciliations. However, they do not have the authority to execute banking transactions. Account disbursements require approval from K-Star's finance manager, COO, general counsel, or president and CEO.

As noted, the Company uses a consulting firm to conduct REO property manager audits of selected assets each year. K-Star also plans to engage another firm to provide cash control assessments and property manager performance critiques for sold REO properties.

Assessment: K-Star, based on its policies and use of RI for activity tracking, demonstrates prudent practices for transitioning loans to REO status, overseeing property managers and brokers, and managing REO property resolutions. Although not the usual practice among special servicers, giving asset managers direct responsibility for REO bank account reconciliations instead of accounting staff is acceptable based on their experience, the Company's use of dual operating accounts for rent collection and expense fundings for most assets, and K-Star's engagement of accounting firms to conduct property manager audits.

The Company's stated 120-day maximum time frame for developing and approving REO business plans is longer than the industry norm, which is usually 60 to 90 days. However, to date, the Company has been making its hold versus sell determinations as part of the earlier foreclosure strategy approval. It expects to continue in this manner, or within 60 to 90 days after completing the foreclosure.

Borrower Consent Requests

A dedicated team manages borrower consent requests such as loan assumptions, lease reviews, collateral releases, and property manager changes. For most of K-Star's CMBS transactions thus far, the Company's role is to fully manage the underwriting and interact directly with the borrower. The assigned consents team member obtains approvals through K-Star's delegations of authority, which require sign-off from the head of special servicing and submission to the credit committee for certain actions. As with ASRs and resolution cases, K-Star uses RI to manage consent request approvals.

K-Star also tracks request status, timelines, and document submission checklists through RI, which already houses customized templates for various request types. For leasing consents, one of the most common requests, K-Star has a lease abstract template to analyze effective rents and property cash flow stress scenarios.

During 2025, the Company reviewed and processed 62 leasing requests, 11 loan assumptions, 10 property manager changes, and two partial property releases in addition to some other consent types.

Assessment: K-Star has proactive practices for credit-oriented borrower requests based on its documented policies and leveraging of RI for this function. A designated consents team should also help improve processing efficiency over time, especially as the Company's request volume is likely to grow.

Vendor and Legal Oversight

K-Star has developed and continues to refine/expand its list of preferred and approved vendors for services such as appraisals, environmental and engineering assessments, legal counsel, property management, and brokerage services. The Company also has some master agreements with designated firms for certain recurring services such as property inspections, tax appeals, environmental/property condition reports, and appraisal, environmental, and insurance-adequacy reviews. The Company uses RI's vendor module to manage the approved lists, track pending job orders, and maintain vendor performance ratings. K-Star's general counsel, in consultation with the special servicing department, manages the vetting process and integrity of the approved vendor list.

Most engagements involve a request-for-proposal bid from the prospective vendor. Prospective vendors also complete a registration form, which includes disclosures of insurance coverage and data security documentation requests. K-Star uses standardized engagement letters and services agreements as much as possible. As noted, K-Star uses an automated vendor invoice tracking and processing application. The asset manager approves all legal services invoices, with secondary approval required by the head of special servicing when there are budget-related issues affecting systematic payment.

Assessment: K-Star demonstrates diligent vendor qualification and oversight practices based on its policies, approval controls, and corresponding system tracking.

Asset Resolutions

K-Star resolved 22 loans in 2025, up from 11 loans in 2024. Cumulatively through YE2025, the Company sold three REO assets (one in 2024 and two in 2025). K-Star also noted that, as of April 2026, it had resolved 18 of the original 26 CMBS assets that it received in its first wave of transfers in 2023 as a successor special servicer.

The Company's average resolution time for loans (excluding completed foreclosures) was 15 months in 2025. K-Star's average time to sell the two REOs in 2025 was seven months. As of YE2024, the average age of all unresolved assets while held at K-Star was also 15 months.

Exhibit 5 K-Star Special Servicing Loan Portfolio Activity (All CMBS)

	2025		2024		2023	
	Volume (USD Millions)	**Loans**	**Volume (USD Millions)**	**Loans**	**Volume (USD Millions)**	**Loans**
Loan Portfolio at Beginning of Period	1,130.6	42	650.8	31	0	0
Loans Transferred Into Portfolio:						
Pre-Existing From Another Special Servicer	350.0	1	0.0	0	399.9	24
Retransferred (Redefaulted) Loans	35.1	1	0.0	0	0.0	0
New Nonmonetary/Imminent Default Transfers	1,086.2	9	417.5	14	49.2	2
New Monetary Default Transfers	1,035.5	28	276.7	9	246	10
Total Transfers	**2506.9**	**39**	**694.3**	**23**	**695.1**	**36**
Loans Fully Resolved:						
Modified/Restructured	(163.4)	(4)	(46.1)	(2)	0.0	0
Discounted Payoffs	0.0	0	(17.8)	(1)	0.0	0
Full Payoffs	(57.6)	(6)	(51.6)	(2)	0.0	0
Loans Paid Off Via Receivership Sale of Property	(15.5)	(2)	(66.7)	(6)	0.0	0
Note Sales	(79.5)	(9)	0.0	0	0.0	0
Defeased	(5.5)	(1)	0.0	0	0.0	0
Total Loan Resolutions	**(321.5)**	**(22)**	**(182.2)**	**(11)**	**0.0**	**0**
Completed Foreclosures	(174.5)	(4)	(6.9)	(1)	(12.1)	(2)
Net Adjustments and/or Other Loans Transferred Out	(7.5)	0	(25.4)	0	(32.2)	(3)
Other Cash Recoveries	(67.0)	0	0.0	0	0.0	0
Loan Portfolio at End of Period	**3,067.0**	**55**	**1,130.6**	**42**	**650.8**	**31**
Property Count at End of Period		137		69		39

Exhibit 6 K-Star REO Portfolio Activity (All CMBS)

	2025		2024		2023	
	Volume (USD Millions)	**Properties**	**Volume (USD Millions)**	**Properties**	**Volume (USD Millions)**	**Properties**
REO Portfolio at Beginning of Period	35.6	4	35.2	4	0.0	0
Asset Already REO When Acquired	0.0	0	0.0	0	23.3	2
Completed Foreclosures	174.5	13	6.9	1	12.1	2
REO Sold in Period	**(31.9)**	**(2)**	**(6.2)**	**(1)**	**0.0**	**0**
Adjustments	(0.4)	0	(0.3)	0	(0.2)	0
REO Portfolio at End of Period	**177.8**	**15**	**35.6**	**4**	**35.2**	**4**

Exhibit 7 K-Star Asset Recoveries: Net Proceeds Versus Collateral Values and UPB*

	H2 2025	**H1 2025**	**H2 2024**	**H1 2024**
Net Recovery Proceeds-to-Value (%)				
Discounted Payoffs	n/a	n/a	114.6 (1)	0.0
Receivership Property Sales	n/a	125.0 (2)	95.0 (5)	107.2 (1)
Full Payoffs	87.5 (2)	66.0 (4)	73.5 (2)	0.0
Individual Note Sales	113.8 (2)	n/a	n/a	n/a
Other Note Sales	75.0 (7)‡	n/a	n/a	n/a
REO Dispositions	113.8 (1)	71.2** (1)	107.2 (1)	0.0
Net Recovery Proceeds-to-UPB (%)				34.2
Discounted Payoffs	n/a	n/a	57.0	0.0
Receivership Property Sales	n/a	94.6	71.4	0.0
Full Payoffs	112.2	113.2	140.4	107.2 (1)
Individual Note Sales	50.5	n/a	n/a	n/a
Other Note Sales	74.1‡	n/a	n/a	n/a

* Numbers in parentheses are asset counts.
** 95% if based on auction high bid. Lodging property that was in special servicing for five years.
‡ Seven smaller-balance assets including five in New York City area. All were initially offered as a bulk sale but were ultimately liquidated individually.
n/a = no activity.

Investor and Master Servicer Reporting

The portfolio analytics team, with input from the special servicing team, manages the content and distribution of the applicable components of the CREFC IRP and other required investor reports as well as accompanying officers' certifications. The Company stated that report production is mostly automated through the RI application.

Policies delineate the Company's essential reporting content requirements such as calculating property protection advances, appraisal subordination entitlement reductions, final payoffs, realized losses/final recovery determinations, and fees. The Company controls reporting content and investor submissions through a dual-level review process and manager approval through its delegations of authority. K-Star's PSA abstracts and programmed system ticklers support the function as well.

Assessment: With three years of history, K-Star demonstrates solid investor reporting capabilities for CMBS and CRE CLO transactions based on its experienced personnel, described policies and controls, technology, and performance to date.

Ranking Scale

- MOR CS1: **Superior Servicing Quality**—Exceeds prudent loan servicing standards. Unlikely to be significantly vulnerable to future operational risk challenges.
- MOR CS2: **Good Servicing Quality**—Demonstrates proficiency in loan servicing standards. May be vulnerable to future operational risk challenges, but qualifying negative factors are considered manageable.
- MOR CS3: **Adequate Servicing Quality**—Demonstrates satisfactory loan servicing standards. May be vulnerable to future operational risk challenges.
- MOR CS4: **Weak Servicing Quality**—Demonstrates lack of compliance with one or more key areas of risk. Vulnerable to future operational risk challenges.

A servicer assigned a ranking of at least MOR CS3 is deemed to comply with what Morningstar DBRS views as the minimum prudent loan servicing standards and requirements for the servicer's operational category and role.

Disclaimer

Morningstar DBRS commercial mortgage servicer rankings are not credit ratings. Instead, they are designed to evaluate the quality of the parties that service or conduct master servicing on commercial mortgage loans. Although the servicer's financial condition contributes to the applicable ranking, its relative importance is such that a servicer's ranking should never be considered as a proxy of its creditworthiness.

While Morningstar DBRS obtains information for its servicer ranking from sources it believes are reliable, Morningstar DBRS relies on the factual accuracy of the servicer's information and the servicer's own representations about its operations, practices, and business. Accordingly, the servicer ranking itself is not an audit as it does not entail examining individual asset files, testing procedures, and technology applications, or conducting any other testing that may be construed as an audit. Certain assumptions, including, but not limited to, an assumption that the information received from third parties is complete and accurate, in connection with its ranking, may have been made by Morningstar DBRS in preparing the servicer ranking. For more information about Morningstar DBRS' servicer ranking methodology, please visit https://dbrs.morningstar.com.

This report, and the rankings and trends contained herein, represent Morningstar DBRS' opinion as of the date of this report, and thus are subject to change and should not be viewed as providing any guarantee. Morningstar DBRS performs surveillance of the servicer and, as a result, may place a servicer ranking Under Review with the appropriate Implications designation: Positive, Negative, or Developing. However, Morningstar DBRS expects servicers to supply certain information over the life of the ranking(s). The maintenance of a ranking is conditional upon the ongoing timely receipt of this data and/or information, which may be obtained from reasonably reliable sources as part of the surveillance process.

Note:
All figures are in U.S. dollars unless otherwise noted.

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For 50 years, Morningstar DBRS has been committed to bringing greater transparency and a much-needed diversity of opinion in the credit rating industry. Our nimble approach combined with Morningstar's global scale and resources enable us to respond to customers' needs in their local markets while also empowering investor success worldwide. Learn more at dbrs.morningstar.com.

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