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

FORM 10-Q

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

For the quarterly period ended March 31, 2018

OR

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

Commission File Number: 001-38377

COLONY NORTHSTAR CREDIT REAL ESTATE, INC.
(Exact Name of Registrant as Specified in Its Charter)

Maryland	**38-4046290**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

515 S. Flower Street, 44th Floor
Los Angeles, CA 90071
(Address of Principal Executive Offices, Including Zip Code)

(310) 282-8820
(Registrant's Telephone Number, Including Area Code)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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. (Check one):

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

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

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date:

As of May 11, 2018, Colony NorthStar Credit Real Estate, Inc. had 83,487,352 shares of Class A common stock outstanding. As of May 11, 2018, Colony NorthStar Credit Real Estate, Inc. had 44,399,444 shares of Class B-3 common stock, par value $0.01 per share, outstanding.

EXPLANATORY NOTE

This Quarterly Report on Form 10-Q of Colony NorthStar Credit Real Estate, Inc., a Maryland corporation (the "Company"), includes the financial statements and other financial information of (i) the Company and (ii) the Company's accounting predecessor, which are investment entities in which Colony Capital Operating Company, LLC ("CLNS OP") or its subsidiaries owned interests ranging from approximately 38% to 100% and that were contributed to the Company on January 31, 2018 in connection with the closing of the Combination (as defined below) and certain intercompany balances between those entities and CLNS OP or its subsidiaries (the "CLNS Investment Entities").

On January 31, 2018, the Company completed the transactions contemplated by that certain Master Combination Agreement, dated as of August 25, 2017, as amended and restated on November 20, 2017 (the "Combination Agreement"), by and among (i) the Company, (ii) Credit RE Operating Company, LLC, a Delaware limited liability company and wholly-owned subsidiary of the Company ("the OP"), (iii) CLNS OP, a Delaware limited liability company and the operating company of Colony NorthStar, Inc. ("Colony NorthStar"), a Maryland corporation, (iv) NRF RED REIT Corp., a Maryland corporation and indirect subsidiary of CLNS OP ("RED REIT"), (v) NorthStar Real Estate Income Trust, Inc., a Maryland corporation ("NorthStar I"), (vi) NorthStar Real Estate Income Trust Operating Partnership, LP, a Delaware limited partnership and the operating partnership of NorthStar I ("NorthStar I OP"), (vii) NorthStar Real Estate Income II, Inc., a Maryland corporation ("NorthStar II"), and (viii) NorthStar Real Estate Income Operating Partnership II, LP, a Delaware limited partnership and the operating partnership of NorthStar II ("NorthStar II OP").

Pursuant to the Combination Agreement, (i) CLNS OP contributed and conveyed to the Company a select portfolio of assets and liabilities (the "CLNS Contributed Portfolio") of CLNS OP (the "CLNS OP Contribution"), (ii) RED REIT contributed and conveyed to the OP a select portfolio of assets and liabilities of RED REIT (the "RED REIT Contribution" and, together with the CLNS OP Contribution, the "CLNS Contributions"), (iii) NorthStar I merged with and into the Company, with the Company surviving the merger (the "NorthStar I Merger"), (iv) NorthStar II merged with and into the Company, with the Company surviving the merger (the "NorthStar II Merger" and, together with the NorthStar I Merger, the "Mergers"), and (v) immediately following the Mergers, the Company contributed and conveyed to the OP the CLNS Contributed Portfolio and the equity interests of each of NorthStar I OP and NorthStar II OP then-owned by the Company in exchange for units of membership interest in the OP (the "Company Contribution" and, collectively with the Mergers and the CLNS Contributions, the "Combination"). To satisfy the condition to completion of the Combination that the Company's Class A common stock, par value $0.01 per share, be approved for listing on a national securities exchange in connection with either an initial public offering or a listing, the Company's Class A common stock was approved for listing by the New York Stock Exchange and began trading under the ticker "CLNC" on February 1, 2018.

The CLNS Contributions were accounted for as a reorganization of entities under common control, since both the Company and CLNS Investment Entities were under common control of Colony NorthStar at the time the contributions were made. Accordingly, the Company's financial statements for prior periods were recast to reflect the consolidation of the CLNS Investment Entities as if the contribution had occurred on the date of the earliest period presented.

As used throughout this document, the terms the "Company", "we", "our" and "us" mean:

- Colony NorthStar Credit Real Estate, Inc. and the consolidated CLNS Investment Entities for periods on or prior to the closing of the Combination on January 31, 2018; and
- The combined operations of Colony NorthStar Credit Real Estate, Inc., NorthStar I and NorthStar II beginning February 1, 2018, following the closing of the Combination.

Accordingly, comparisons of the period to period financial information of the Company as set forth herein may not be meaningful because the CLNS Investment Entities represents only a portion of the assets and liabilities Colony NorthStar Credit Real Estate, Inc. acquired in the Combination and does not reflect any potential benefits that may result from realization of future cost savings from operating efficiencies, or other incremental synergies expected to result from the Combination.

In addition to the financial statements contained herein, you should read and consider the audited financial statements and accompanying notes thereto of the Company and the CLNS Investment Entities for the year ended December 31, 2017 included in our Form 10-K filed with the U.S. Securities and Exchange Commission (the "SEC") on March 23, 2018 and the audited financial statements and accompanying notes of NorthStar I and NorthStar II for the year ended December 31, 2017 included as Exhibits 99.1 and 99.2, respectively, to our Form 10-K filed with the SEC on March 23, 2018.

COLONY NORTHSTAR CREDIT REAL ESTATE, INC.

FORM 10-Q

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Special Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q may contain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” or “potential” or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and contingencies, many of which are beyond our control, and may cause actual results to differ significantly from those expressed in any forward-looking statement. Among others, the following uncertainties and other factors could cause actual results to differ from those set forth in the forward-looking statements:

- operating costs and business disruption may be greater than expected;
- the fair value of our investments may be subject to uncertainties;
- changes in market and economic conditions may adversely impact the commercial real estate sector and our investments;
- our use of leverage could hinder its ability to make distributions and may significantly impact our liquidity position;
- given our dependence on our external manager, an affiliate of Colony NorthStar, any adverse changes in the financial health or otherwise of our manager or Colony NorthStar could hinder our operating performance and return on stockholder’s investment;
- our external manager may not be successful in locating or allocating suitable investments;
- our external manager may be unable to retain or hire key investment professionals;
- we may be unable to realize substantial efficiencies as well as anticipated strategic and financial benefits from the Combination;
- we may be unable to maintain our qualification as a real estate investment trust for U.S. income tax purposes;
- we may be unable to maintain our exemption from registration as an investment company under the Investment Company Act of 1940, as amended; and
- changes in laws or regulations governing our operations may impose additional costs on us or increase competition.

The foregoing list of factors is not exhaustive. We urge you to carefully review the disclosures we make concerning risks in the sections entitled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2017 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” herein.

We caution investors not to unduly rely on any forward-looking statements. The forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. The Company is under no duty to update any of these forward-looking statements after the date of this Quarterly Report on Form 10-Q, nor to conform prior statements to actual results or revised expectations, and the Company does not intend to do so.

PART I. Financial Information

Item 1. Financial Statements

COLONY NORTHSTAR CREDIT REAL ESTATE, INC.
CONSOLIDATED BALANCE SHEETS
(in Thousands, Except Share and Per Share Data)

	March 31, 2018 (Unaudited)	December 31, 2017
Assets		
Cash and cash equivalents	$ 334,952	$ 25,204
Restricted cash	117,443	41,901
Loans held for investment, net	1,816,218	1,300,784
Real estate securities, available for sale, at fair value	176,194	—
Real estate, net	1,495,096	219,740
Investments in unconsolidated ventures ($257,495 and $24,417 at fair value, respectively)	756,468	203,720
Receivables, net	60,999	35,512
Deferred leasing costs and intangible assets, net	113,239	11,014
Other assets	56,998	1,527
Mortgage loans held in securitization trusts, at fair value	3,193,298	—
Total assets	$ 8,120,905	$ 1,839,402
Liabilities		
Securitization bonds payable, net	$ 172,113	$ 108,679
Mortgage and other notes payable, net	924,018	280,982
Credit facilities	602,277	—
Due to related party (Note 11)	12,649	—
Accrued and other liabilities	49,896	5,175
Intangible liabilities, net	19,637	36
Escrow deposits payable	67,757	36,960
Dividends payable	18,994	—
Mortgage obligations issued by securitization trusts, at fair value	3,051,315	—
Total liabilities	4,918,656	431,832
Commitments and contingencies (Note 10)		
Equity		
Stockholders' equity		
Preferred stock, $0.01 par value, 50,000,000 shares authorized, no shares issued and outstanding as of March 31, 2018 and December 31, 2017	—	—
Common stock, $0.01 par value per share		
Class A, 905,000,000 shares authorized, 83,487,352 and 100 shares issued and outstanding as of March 31, 2018 and December 31, 2017, respectively	835	—
Class B-3, 45,000,000 shares authorized, 44,399,444 and no shares issued and outstanding as of March 31, 2018 and December 31, 2017, respectively	444	—
Additional paid-in capital	2,894,492	821,031
Retained earnings	136,446	258,777
Accumulated other comprehensive income (loss)	(1,848)	—
Total stockholders' equity	3,030,369	1,079,808
Noncontrolling interests in investment entities	98,311	327,762
Noncontrolling interests in the Operating Partnership	73,569	—
Total equity	3,202,249	1,407,570
Total liabilities and equity	$ 8,120,905	$ 1,839,402

The accompanying notes are an integral part of these consolidated financial statements.

COLONY NORTHSTAR CREDIT REAL ESTATE, INC.
CONSOLIDATED BALANCE SHEETS
(Dollars in Thousands)

The following table presents assets and liabilities of securitization trusts and certain real estate properties that have non-controlling interests as variable interest entities for which the Company is determined to be the primary beneficiary.

	March 31, 2018 (Unaudited)	December 31, 2017
Assets		
Cash and cash equivalents	$ 45,309	$ 1,320
Restricted cash	29,281	24,928
Loans held for investment, net	459,882	379,305
Real estate, net	734,815	8,073
Receivables, net	48,869	11,994
Deferred leasing costs and intangible assets, net	69,709	—
Other assets	3,197	38
Mortgage loans held in securitization trusts, at fair value	3,193,298	—
Total assets	$ 4,584,360	$ 425,658
Liabilities		
Securitization bonds payable, net	$ 91,320	$ 108,679
Mortgage and other notes payable, net	433,054	—
Accrued and other liabilities	29,410	3,764
Intangible liabilities, net	15,562	—
Escrow deposits payable	19,260	24,928
Mortgage obligations issued by securitization trusts, at fair value	3,051,315	—
Total liabilities	$ 3,639,921	$ 137,371

The accompanying notes are an integral part of these consolidated financial statements.

COLONY NORTHSTAR CREDIT REAL ESTATE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in Thousands, Except Per Share Data)
(Unaudited)

	Three Months Ended March 31,	
	2018	**2017**
Net interest income		
Interest income	$ 36,139	$ 35,151
Interest expense on loans held for investment	(7,415)	(6,104)
Interest income on mortgage loans held in securitization trusts	25,865	—
Interest expense on mortgage obligations issued by securitization trusts	(24,278)	—
Net interest income	30,311	29,047
Property and other income		
Property operating income	28,545	5,139
Other income	517	161
Total property and other income	29,062	5,300
Expenses		
Management fee expense	8,000	—
Property operating expense	11,719	1,611
Transaction, investment and servicing expense	30,941	701
Interest expense on real estate	6,393	976
Depreciation and amortization	18,792	2,285
Administrative expense (including $285 and $0 of equity-based compensation expense, respectively)	3,228	3,012
Total expenses	79,073	8,585
Other income (loss)		
Unrealized gain on mortgage loans and obligations held in securitization trusts, net	497	—
Other gain on investments, net	465	—
Income (loss) before equity in earnings of unconsolidated ventures and income taxes	(18,738)	25,762
Equity in earnings of unconsolidated ventures	15,788	6,038
Income tax benefit	549	223
Net income (loss)	(2,401)	32,023
Net (income) loss attributable to noncontrolling interests:		
Investment entities	(2,370)	(9,137)
Operating Partnership	57	—
Net income (loss) attributable to Colony NorthStar Credit Real Estate, Inc. common stockholders	$ (4,714)	$ 22,886
Net income (loss) per common share - basic and diluted (Note 17)	$ (0.05)	$ 0.47
Weighted average shares of common stock outstanding, basic and diluted (Note 17)	98,662	44,399
Dividends declared per share of common stock	$ 0.29	$ —

The accompanying notes are an integral part of these consolidated financial statements.

COLONY NORTHSTAR CREDIT REAL ESTATE, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Dollars in Thousands)
(Unaudited)

	Three Months Ended March 31,	
	2018	**2017**
Net income (loss)	$ (2,401)	$ 32,023
Other comprehensive income (loss)		
Unrealized loss on real estate securities, available for sale	(1,848)	—
Total other comprehensive loss	(1,848)	—
Comprehensive income (loss)	(4,249)	32,023
Comprehensive (income) loss attributable to noncontrolling interests:		
Investment entities	(2,370)	(9,137)
Operating partnership	57	—
Comprehensive income (loss) attributable to common stockholders	$ (6,562)	$ 22,886

The accompanying notes are an integral part of these consolidated financial statements.

COLONY NORTHSTAR CREDIT REAL ESTATE, INC.
CONSOLIDATED STATEMENTS OF EQUITY
(Dollars and Shares in Thousands)
(Unaudited)

	Common Stock										
	Class A		Class B-3		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Company's Stockholders' Equity	Noncontrolling Interests in Investment Entities	Noncontrolling interests in The OP	Total Equity
	Shares	Amount	Shares	Amount							
Balance as of December 31, 2016	—	$ —	—	$ —	$ 714,443	$ 170,273	$ —	$ 884,716	$ 350,848	$ —	$ 1,235,564
Contributions	—	—	—	—	354,219	—	—	354,219	14,537	—	368,756
Distributions	—	—	—	—	(17,276)	—	—	(17,276)	(16,333)	—	(33,609)
Net income (loss)	—	—	—	—	—	22,886	—	22,886	9,137	—	32,023
Balance as of March 31, 2017 (Unaudited)	—	$ —	—	$ —	$1,051,386	$ 193,159	$ —	$ 1,244,545	$ 358,189	$ —	$ 1,602,734
Balance as of December 31, 2017	—	$ —	—	$ —	$ 821,031	$ 258,777	$ —	$ 1,079,808	$ 327,762	$ —	$ 1,407,570
Distributions	—	—	—	—	—	—	—	—	(1,003)	—	(1,003)
Adjustments related to the Combination	82,484	825	44,399	444	2,073,186	(79,774)	—	1,994,681	(230,818)	73,626	1,837,489
Issuance and amortization of equity-based compensation	1,004	10	—	—	275	—	—	285	—	—	285
Other comprehensive income (loss)	—	—	—	—	—	—	(1,848)	(1,848)	—	—	(1,848)
Common stock dividends declared	—	—	—	—	—	(37,843)	—	(37,843)	—	—	(37,843)
Net income (loss)	—	—	—	—	—	(4,714)	—	(4,714)	2,370	(57)	(2,401)
Balance as of March 31, 2018 (Unaudited)	83,488	$ 835	44,399	$ 444	$2,894,492	$ 136,446	$ (1,848)	$ 3,030,369	$ 98,311	$ 73,569	$ 3,202,249

The accompanying notes are an integral part of these consolidated financial statements.

COLONY NORTHSTAR CREDIT REAL ESTATE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in Thousands)
(Unaudited)

	Three Months Ended March 31,	
	2018	**2017**
Cash flows from operating activities:		
Net income (loss)	$ (2,401)	$ 32,023
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Equity in earnings of unconsolidated ventures	(15,788)	(6,038)
Depreciation and amortization	18,792	2,285
Straight-line rental income	(1,373)	(60)
Amortization of above/below market lease values, net	104	67
Amortization of premium/accretion of discount and fees on investments and borrowings, net	(1,772)	(1,486)
Amortization of deferred financing costs	384	828
Interest accretion on investments	(530)	(1,878)
Distributions of cumulative earnings from unconsolidated ventures	13,687	1,829
Unrealized gain (loss) on mortgage loans and obligations held in securitization trusts, net	(497)	—
Amortization of equity-based compensation	285	—
Mortgage notes above/below market value amortization	(173)	—
Deferred income tax (benefit) expense	(88)	—
Changes in assets and liabilities:		
Restricted cash	(882)	469
Receivables, net	16,572	—
Deferred costs and other assets	(13,883)	2,923
Due to related party	3,340	—
Other liabilities	1,499	208
Net cash provided by operating activities	17,276	31,170
Cash flows from investing activities:		
Origination and funding of loans held for investment, net	(5,059)	(52,989)
Repayment on loans held for investment	115,724	74,371
Cash received in the Combination	225,169	6,509
Proceeds from sale of real estate	—	8,916
Improvements of real estate	(2,735)	—
Investments in unconsolidated ventures	(1,730)	(4,129)
Distributions in excess of cumulative earnings from unconsolidated ventures	21,739	5,751
Acquisition of real estate securities, available for sale	(11,762)	—
Change in restricted cash	(1,343)	(142)
Net cash provided by investing activities	340,003	38,287
Cash flows from financing activities:		
Distributions paid on common stock	(18,849)	—
Borrowings from mortgage notes	41,823	18,043
Repayment of mortgage notes	(762)	(64,048)
Borrowings from credit facilities	25,149	—
Repayment of credit facilities	(71,740)	—
Repayment of securitization bonds	(17,474)	—
Payment of deferred financing costs	(4,675)	—
Contributions	—	35,956
Distributions	(1,003)	(33,609)
Net cash used in financing activities	(47,531)	(43,658)
Net increase in cash and cash equivalents	309,748	25,799
Cash and cash equivalents - beginning of period	25,204	13,982
Cash and cash equivalents - end of period	$ 334,952	$ 39,781

The accompanying notes are an integral part of these consolidated financial statements.

COLONY NORTHSTAR CREDIT REAL ESTATE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(Dollars in Thousands)
(Unaudited)

	Three Months Ended March 31,	
	2018	2017
Supplemental disclosure of non-cash investing and financing activities:		
Assets acquired in Combination (refer to Note 3)	$ 6,916,046	$ —
Liabilities assumed in Combination (refer to Note 3)	4,812,353	—
Noncontrolling interests assumed in Combination (refer to Note 3)	82,320	—
Common stock issued for acquisition of NorthStar I and NorthStar II (refer to Note 3)	2,021,373	—
Deconsolidation of certain CLNS Contributed Portfolio investments (refer to Note 2)	313,133	—
Secured Financing (refer to Note 4)	50,314	—
Other Payables to Manager adjustment (refer to Note 11)	2,934	—
Noncontrolling interests in the OP	73,626	—
Consolidation of securitization trust (VIE asset / liability)	134,398	—
Escrow deposits payable related to loans held for investment	3,856	—
Accrual of distribution payable	18,994	—
Non-cash distributions related to unconsolidated ventures	—	933
Loans held for investment payoff due from servicer	21,189	37,335
Foreclosure of loans held for investment	—	8,789
Assets acquired through the CLNS Merger (refer to Note 2)	—	485,891
Liabilities assumed through the CLNS Merger (refer to Note 2)	—	161,533

The accompanying notes are an integral part of these consolidated financial statements.

COLONY NORTHSTAR CREDIT REAL ESTATE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Business and Organization

Colony NorthStar Credit Real Estate, Inc. (the "Company") is a commercial real estate ("CRE") credit real estate investment trust ("REIT") focused on originating, acquiring, financing and managing a diversified portfolio consisting primarily of CRE senior mortgage loans, mezzanine loans, preferred equity, debt securities and net leased properties predominantly in the United States. CRE debt investments include senior mortgage loans, mezzanine loans, preferred equity, and participations in such loans and preferred equity interests. CRE debt securities primarily consist of commercial mortgage-backed securities ("CMBS") (including "B-pieces" of a CMBS securitization pool) or CRE collateralized loan obligations ("CLOs") (collateralized by pools of CRE debt investments). Net leased properties consist of CRE properties with long-term leases to tenants on a net-lease basis, where such tenants generally will be responsible for property operating expenses such as insurance, utilities, maintenance capital expenditures and real estate taxes.

The Company was organized in the state of Maryland on August 23, 2017. On September 15, 2017, Colony NorthStar, Inc., ("Colony NorthStar"), a publicly traded REIT listed on the New York Stock Exchange ("NYSE") under the ticker symbol "CLNS," made an initial capital contribution of $1,000 to the Company. On January 31, 2018, the Company completed the transactions contemplated by that certain Master Combination Agreement, dated as of August 25, 2017, as amended and restated on November 20, 2017 (the "Combination Agreement," as further discussed below). The Company intends to qualify as a REIT under the Internal Revenue Code of 1986, as amended, beginning with its taxable year ending December 31, 2018. The Company conducts all of its activities and holds substantially all of its assets and liabilities through its operating subsidiary, Credit RE Operating Company, LLC (the "Operating Partnership" or "OP"). At March 31, 2018, the Company owned 97.6% of the OP, as its sole managing member. The remaining 2.4% is owned primarily by an affiliate of the Company as noncontrolling interests.

The Company is externally managed and has no employees. The Company is managed by CLNC Manager, LLC (the "Manager"), a Delaware limited liability company and a wholly-owned and indirect subsidiary of Colony Capital Operating Company, LLC ("CLNS OP"), a Delaware limited liability company and the operating company of Colony NorthStar. Colony NorthStar manages capital on behalf of its stockholders, as well as institutional and retail investors in private funds, non-traded and traded REITs and registered investment companies.

The Combination

Pursuant to the Combination Agreement, (i) CLNS OP contributed and conveyed to the Company a select portfolio of assets and liabilities (the "CLNS OP Contributed Portfolio") of CLNS OP (the "CLNS OP Contribution"), (ii) NRF RED REIT Corp., a Maryland corporation and indirect subsidiary of CLNS OP ("RED REIT") contributed and conveyed to the OP a select portfolio of assets and liabilities (the "RED REIT Contributed Portfolio" and, together with the CLNS OP Contributed Portfolio, the "CLNS Contributed Portfolio") of RED REIT (the "RED REIT Contribution" and, together with the CLNS OP Contribution, the "CLNS Contributions"), (iii) NorthStar Real Estate Income Trust, Inc. ("NorthStar I"), a publicly registered non-traded REIT sponsored and managed by a subsidiary of Colony NorthStar, merged with and into the Company, with the Company surviving the merger (the "NorthStar I Merger"), (iii) NorthStar Real Estate Income II, Inc. ("NorthStar II"), a publicly registered non-traded REIT sponsored and managed by a subsidiary of Colony NorthStar, merged with and into the Company, with the Company surviving the merger (the "NorthStar II Merger" and, together with the NorthStar I Merger, the "Mergers"), and (v) immediately following the Mergers, the Company contributed and conveyed to the OP the CLNS OP Contributed Portfolio and the equity interests of each of NorthStar Real Estate Income Trust Operating Partnership, LP, a Delaware limited partnership and the operating partnership of NorthStar I, and NorthStar Real Estate Income Operating Partnership II, LP, a Delaware limited partnership and the operating partnership of NorthStar II, then-owned by the Company in exchange for units of membership interest in the OP (the "Company Contribution" and, collectively with the Mergers and the CLNS Contributions, the "Combination").

On January 18, 2018, the Combination was approved by the stockholders of NorthStar I and NorthStar II. The Combination closed on January 31, 2018 (the "Closing Date") and the Company's Class A common stock began trading on the NYSE on February 1, 2018 under the symbol "CLNC."

The Combination is accounted for under the acquisition method for business combinations pursuant to Accounting Standards Codification ("ASC") Topic 805, *Business Combinations*, with the Company as the accounting acquirer.

Details of the Combination are described more fully in Note 3, "Business Combinations" and the accounting treatment thereof in Note 2, "Summary of Significant Accounting Policies."

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited interim financial statements have been prepared in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all information and footnotes required by accounting principles generally accepted in the United States of America ("U.S. GAAP") for complete financial statements. These statements reflect all normal and recurring adjustments which, in the opinion of management, are necessary to present fairly the financial position, results of operations and cash flows of the Company for the interim periods presented. However, the results of operations for the interim period presented are not necessarily indicative of the results that may be expected for the year ending December 31, 2018, or for any other future period. These interim financial statements should be read in conjunction with the audited consolidated financial statements of the CLNS Investment Entities, NorthStar I and NorthStar II and notes thereto included in, or presented as exhibits to, the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017.

The consolidated financial statements include the results of operations of Colony NorthStar Credit Real Estate, Inc. and the consolidated CLNS Investment Entities for periods on or prior to the closing of the Combination on January 31, 2018 and the combined operations of Colony NorthStar Credit Real Estate, Inc., NorthStar I and NorthStar II beginning February 1, 2018, following the closing of the Combination.

The assets and liabilities contributed by CLNS to the Company consisted of its ownership interests in certain investment entities (the "CLNS Investment Entities"), ranging from 38% to 100%. The remaining interests in the CLNS Investment Entities are owned by investment vehicles sponsored by Colony NorthStar or third parties and were not contributed to the Company.

The CLNS Contributions were accounted for as a reorganization of entities under common control, since both the Company and CLNS Investment Entities were under common control of Colony NorthStar at the time the contributions were made. Accordingly, the contributed assets and liabilities were recorded at carryover basis and the Company's financial statements for prior periods were recast to reflect the consolidation of the CLNS Investment Entities as if the contribution had occurred on the date of the earliest period presented. The assets, liabilities and noncontrolling interests of the CLNS Investment Entities in the consolidated financial statements for periods prior to the Combination were carved out of the books and records of Colony NorthStar at their historical carrying amounts. Accordingly, the historical consolidation financial statements were prepared giving consideration to the rules and regulations of the Securities and Exchange Commission ("SEC") and related guidance provided by the SEC Staff with respect to carve-out financial statements and reflect allocations of certain corporate costs from Colony NorthStar. These charges were based on either specifically identifiable costs incurred on behalf of the CLNS Investment Entities or an allocation of costs estimated to be applicable to the CLNS Investment Entities, primarily based on the relative assets under management of the CLNS Investment Entities to Colony NorthStar's total assets under management. Such costs do not necessarily reflect what the actual costs would have been if the Company had been operating as a separate stand-alone public entity for periods prior to the Combination.

Following the Combination, the Company reconsidered whether it was the primary beneficiary of certain variable interest entities ("VIEs"), which resulted in the deconsolidation of certain CLNS Investment Entities and the consolidation of certain securitization trusts in which NorthStar I or NorthStar II held an interest, as more fully described below. Accordingly, comparisons of financial information for periods prior the Combination with subsequent periods may not be meaningful.

The Combination

The Combination is accounted for under the acquisition method for business combinations pursuant to ASC Topic 805, *Business Combinations*. In the Combination, the Company was considered to be the accounting acquirer so all of its assets and liabilities immediately prior to the closing of the Combination are reflected at their historical carrying values. The consideration transferred by the Company established a new accounting basis for the assets acquired, liabilities assumed and noncontrolling interests of NorthStar I and NorthStar II, which were measured at their respective fair values on the Closing Date of the Combination.

Formation of Colony NorthStar

Colony NorthStar was formed through a tri-party merger (the "CLNS Merger") among Colony Capital, Inc. ("Colony Capital"), NorthStar Asset Management Group Inc. and NorthStar Realty Finance Corp. ("NRF"), which closed on January 10, 2017 (the "CLNS Merger Closing Date"). Colony Capital was determined to be the accounting acquirer in the CLNS Merger. Accordingly, the combined financial information of the CLNS Investment Entities included herein as of any date or for any periods on or prior to the CLNS Merger Closing Date represent the CLNS Investment Entities from Colony Capital. On the CLNS Merger Closing

Date, the CLNS Investment Entities were reflected by Colony NorthStar at their pre-CLNS Merger carrying values, while the CLNS Investment Entities from NRF were reflected by Colony NorthStar at their CLNS Merger fair values. The results of operations of the CLNS Investment Entities from NRF are included in these pre-Combination financial statements effective from January 11, 2017.

Principles of Consolidation

The accompanying combined financial statements include the accounts of the Company and their controlled subsidiaries and consolidated VIEs. The portions of the equity, net income and other comprehensive income of consolidated subsidiaries that are not attributable to the parent are presented separately as amounts attributable to noncontrolling interests in the consolidated financial statements.

The Company consolidates entities in which they have a controlling financial interest by first considering if an entity meets the definition of a VIE for which the Company is deemed to be the primary beneficiary, or if the Company has the power to control an entity through a majority of voting interest or through other arrangements.

Variable Interest Entities

A VIE is an entity that lacks one or more of the characteristics of a voting interest entity. A VIE is defined as an entity in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. The determination of whether an entity is a VIE includes both a qualitative and quantitative analysis. The Company bases its qualitative analysis on its review of the design of the entity, its organizational structure including decision-making ability and relevant financial agreements and the quantitative analysis on the forecasted cash flow of the entity. The Company reassesses its initial evaluation of an entity as a VIE upon the occurrence of certain reconsideration events.

A VIE must be consolidated only by its primary beneficiary, which is defined as the party who, along with its affiliates and agents has both the: (i) power to direct the activities that most significantly impact the VIE’s economic performance; and (ii) obligation to absorb the losses of the VIE or the right to receive the benefits from the VIE, which could be significant to the VIE. The Company determines whether it is the primary beneficiary of a VIE by considering qualitative and quantitative factors, including, but not limited to: which activities most significantly impact the VIE’s economic performance and which party controls such activities; the amount and characteristics of its investment; the obligation or likelihood for the Company or other interests to provide financial support; consideration of the VIE’s purpose and design, including the risks the VIE was designed to create and pass through to its variable interest holders and the similarity with and significance to the business activities of the Company and the other interests. The Company reassesses its determination of whether it is the primary beneficiary of a VIE each reporting period. Significant judgments related to these determinations include estimates about the current and future fair value and performance of investments held by these VIEs and general market conditions.

The Company evaluates its investments and financings, including investments in unconsolidated ventures and securitization financing transactions, if any, to determine whether each investment or financing is a VIE. The Company analyzes new investments and financings, as well as reconsideration events for existing investments and financings, which vary depending on type of investment or financing.

As of March 31, 2018, the Company has identified certain consolidated and unconsolidated VIEs. Assets of each of the VIEs, other than the OP, may only be used to settle obligations of the respective VIE. Creditors of each of the VIEs have no recourse to the general credit of the Company.

Consolidated VIEs

The Company's operating subsidiary, the OP, is a limited liability company that has governing provisions that are the functional equivalent of a limited partnership. The Company holds the majority of membership interest in the OP, is the managing member of the OP and exercises full responsibility, discretion and control over the day-to-day management of the OP. The noncontrolling interests in the OP do not have substantive liquidation rights, or substantive kick-out rights without cause, or substantive participating rights that could be exercised by a simple majority of noncontrolling interest members (including by such a member unilaterally). The absence of such rights, which represent voting rights in a limited partnership equivalent structure, would render the OP to be a VIE. The Company, as managing member, has the power to direct the core activities of the OP that most significantly affect OP's performance, and through its majority interest in the OP, has both the right to receive benefits from and the obligation to absorb losses of OP. Accordingly, the Company is the primary beneficiary of the OP and consolidates the OP. As the Company conducts

its business and holds its assets and liabilities through the OP, the total assets and liabilities of the OP represent substantially all of the total consolidated assets and liabilities of the Company.

Other consolidated VIEs include the Investing VIEs (as discussed below) and certain properties that have noncontrolling interests. These noncontrolling interests do not have substantive kick-out or participating rights.

Investing VIEs

The Company's investments in securitization financing entities ("Investing VIEs") include subordinate first-loss tranches of securitization trusts, which represent interests in such VIEs. Investing VIEs are structured as pass through entities that receive principal and interest payments from the underlying debt collateral assets and distribute those payments to the securitization trust's certificate holders, including the most subordinate tranches of the securitization trust. Generally, a securitization trust designates the most junior subordinate tranche outstanding as the controlling class, which entitles the holder of the controlling class to unilaterally appoint and remove the special servicer for the trust, and as such may qualify as the primary beneficiary of the trust.

If it is determined that the Company is the primary beneficiary of an Investing VIE as a result of acquiring the subordinate first-loss tranches of the securitization trust, the Company would consolidate the assets, liabilities, income and expenses of the entire Investing VIE. The assets held by an Investing VIE are restricted and can only be used to fulfill its own obligations. The obligations of an Investing VIE have neither any recourse to the general credit of the Company as the consolidator of an Investing VIE, nor to any of the Company's other consolidated entities.

As of March 31, 2018, the Company held subordinate tranches of securitization trusts in three Investing VIEs for which the Company has determined it is the primary beneficiary because it has the power to direct the activities that most significantly impact the economic performance of the securitization trusts. The Company's subordinate tranches of the securitization trusts, which represent the retained interest and related interest income, are eliminated in consolidation. In accordance with the Financial Accounting Standards Board ("FASB") ASC 810, *Consolidation*, all of the assets, liabilities (obligations to the certificate holders of the securitization trusts, less the Company's retained interest from the subordinate tranches of the securitization trusts), income and expense of the Investing VIEs are presented in the consolidated financial statements of the Company. As a result, although the Company legally owns the subordinate tranches of the securitization trusts only, U.S. GAAP requires the Company to present the assets, liabilities, income and expenses of the entire securitization trust on its consolidated financial statements. Regardless of the presentation, the Company's consolidated financial statements of operations ultimately reflect the net income attributable to its retained interest in the subordinate tranches of the securitization trusts. Refer to Note 7, "Real Estate Securities, Available for Sale" for further discussion.

The Company elected the fair value option for the initial recognition of the assets and liabilities of its consolidated Investing VIEs. Interest income and interest expense associated with the Investing VIEs will be recorded separately on the consolidated statements of operations. The Company will separately present the assets and liabilities of its consolidated Investing VIEs as "Mortgage loans held in securitization trusts, at fair value" and "Mortgage obligations issued by securitization trusts, at fair value," respectively, on its consolidated balance sheets. Refer to Note 15, "Fair Value" for further discussion.

The Company has adopted guidance issued by the FASB, allowing the Company to measure both the financial assets and liabilities of a qualifying collateralized financing entity ("CFE"), such as its Investing VIEs, using the fair value of either the CFE's financial assets or financial liabilities, whichever is more observable. A CFE is a VIE that holds financial assets, issues beneficial interests in those assets and has no more than nominal equity, and the beneficial interests have contractual recourse only to the related assets of the CFE. As the liabilities of the Company's Investing VIEs are marketable securities with observable trade data, their fair value is more observable and is referenced to determine the fair value for assets of its Investing VIEs. Refer to Note 15, "Fair Value" for further discussion.

Unconsolidated VIEs

As of March 31, 2018, the Company identified unconsolidated VIEs related to its securities investments, indirect interests in real estate through real estate private equity funds ("PE Investments") and CRE debt investments. Assets of each of the VIEs may only be used to settle obligations of the respective VIE. Creditors of each of the VIEs have no recourse to the general credit of the Company.

The following table presents the Company's classification, carrying value and maximum exposure of unconsolidated VIEs as of March 31, 2018 (dollars in thousands):

	Carrying Value	Maximum Exposure to Loss
Real estate securities, available for sale	$ 176,194	$ 176,194
Investments in unconsolidated ventures	379,018	379,018
Loans held for investment, net	340,448	342,600
Total assets	$ 895,660	$ 897,812

Based on management's analysis, the Company determined that it is not the primary beneficiary of the above VIEs. Accordingly, the VIEs are not consolidated in the Company's financial statements as of March 31, 2018. The Company did not provide financial support to the unconsolidated VIEs during the three months ended March 31, 2018. As of March 31, 2018, there were no explicit arrangements or implicit variable interests that could require the Company to provide financial support to the unconsolidated VIEs.

Deconsolidation of the CLNS Investment Entities

Certain CLNS Investment Entities were joint ventures between Colony NorthStar and private funds or other investment vehicles managed by Colony NorthStar (the "Co-Investment Funds"). Colony NorthStar consolidated such CLNS Investment Entities as it was deemed to have a controlling financial interest in these CLNS Investment Entities. After assuming Colony NorthStar's ownership interests in these CLNS Investment Entities and upon the merger with NorthStar I and NorthStar II, the Company does not have a controlling financial interest in these CLNS Investment Entities. The Company does not have the ability to direct key decisions made by the directors of these entities nor is it the primary beneficiary of these entities as Colony NorthStar continues to be the investment manager of the Co-Investment Funds and the directors and officers of these entities continue to be employees of Colony NorthStar. The Company itself is managed by a subsidiary of Colony NorthStar and does not have any employees of its own. Therefore, upon closing of the Combination, the Company deconsolidated the CLNS Investment Entities that are joint ventures with Co-Investment Funds.

The deconsolidation of these CLNS Investment Entities did not result in any gain or loss to the Company. The following table presents the deconsolidation of the assets and liabilities of certain of the CLNS Investment Entities, and accounting for the Company's interests in these CLNS Investment Entities as equity method investments as of the Closing Date (dollars in thousands):

	As of the Closing Date
Assets	
Cash and cash equivalents	$ (11,408)
Restricted cash	(14,704)
Loans held for investment, net	(553,678)
Investments in unconsolidated ventures	127,062
Receivables, net	(4,344)
Other assets	(114)
Total assets	$ (457,186)
Liabilities	
Mortgage and other notes payable, net	$ (128,709)
Accrued and other liabilities	(640)
Escrow deposits payable	(14,704)
Total liabilities	(144,053)
Stockholders' equity	(313,133)
Total liabilities and equity	$ (457,186)

Voting Interest Entities

Unlike VIEs, voting interest entities have sufficient equity to finance their activities and equity investors exhibit the characteristics of a controlling financial interest through their voting rights. The Company consolidates such entities when it has the power to control these entities through ownership of a majority of the entities' voting interests or through other arrangements.

At each reporting period, the Company reassesses whether changes in facts and circumstances cause a change in the status of an entity as a VIE or voting interest entity, and/or a change in the Company's consolidation assessment. Changes in consolidation status are applied prospectively. An entity may be consolidated as a result of this reassessment, in which case, the assets, liabilities and noncontrolling interest in the entity are recorded at fair value upon initial consolidation. Any existing equity interest held by the Company in the entity prior to the Company obtaining control will be remeasured at fair value, which may result in a gain or loss recognized upon initial consolidation. However, if the consolidation represents an asset acquisition of a voting interest entity, the Company's existing interest in the acquired assets, if any, is not remeasured to fair value but continues to be carried at historical cost. The Company may also deconsolidate a subsidiary as a result of this reassessment, which may result in a gain or loss recognized upon deconsolidation depending on the carrying values of deconsolidated assets and liabilities compared to the fair value of any interests retained.

Noncontrolling Interests

Noncontrolling Interests in Investment Entities - This represents interests in consolidated investment entities held by third party joint venture partners and prior to the closing of the Combination, such interests held by private funds managed by Colony NorthStar. Allocation of net income or loss is generally based upon relative ownership interests held by equity owners in each investment entity, or based upon contractual arrangements that may provide for disproportionate allocation of economic returns among equity interests, including using a hypothetical liquidation at book value basis, where applicable and substantive.

Noncontrolling Interests in the Operating Partnership - This represents membership interests in the OP held by RED REIT. Noncontrolling interests in the OP are allocated a share of net income or loss in the OP based on their weighted average ownership interest in the OP during the period. Noncontrolling interests in the OP have the right to require the OP to redeem part or all of the membership units in the OP for cash based on the market value of an equivalent number of shares of class A common stock at the time of redemption, or at the Company's election as managing member of the OP, through the issuance of shares of class A common stock on a one-for-one basis. Refer to Note 3, "Business Combinations," for further discussion of OP membership units. At the end of each reporting period, noncontrolling interests in the OP is adjusted to reflect their ownership percentage in the OP at the end of the period, through a reallocation between controlling and noncontrolling interests in the OP, as applicable.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates and assumptions.

Comprehensive Income (Loss)

The Company reports consolidated comprehensive income (loss) in separate statements following the consolidated statements of operations. Comprehensive income (loss) is defined as the change in equity resulting from net income (loss) and other comprehensive income ("OCI"). The only component of OCI is unrealized gain (loss) on CRE debt securities available for sale for which the fair value option was not elected.

Fair Value Measurement

Fair value is based on an exit price, defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Where appropriate, the Company makes adjustments to estimated fair values to appropriately reflect counterparty credit risk as well as the Company's own credit-worthiness.

The estimated fair value of financial assets and financial liabilities are categorized into a three-tier hierarchy, prioritized based on the level of transparency in inputs used in the valuation techniques, as follows:

Level 1-Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2-Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in non-active markets, or valuation techniques utilizing inputs that are derived principally from or corroborated by observable data directly or indirectly for substantially the full term of the financial instrument.

Level 3-At least one assumption or input is unobservable and it is significant to the fair value measurement, requiring significant management judgment or estimate.

Where the inputs used to measure the fair value of a financial instrument fall into different levels of the fair value hierarchy, the financial instrument is categorized within the hierarchy based on the lowest level of input that is significant to its fair value measurement.

Fair Value Option

The fair value option provides an option to elect fair value as an alternative measurement for selected financial instruments. Gains and losses on items for which the fair value option has been elected are reported in earnings. The fair value option may be elected only upon the occurrence of certain specified events, including when the Company enters into an eligible firm commitment, at initial recognition of the financial instrument, as well as upon a business combination or consolidation of a subsidiary. The election is irrevocable unless a new election event occurs.

The Company has elected the fair value option for PE Investments. The Company has also elected the fair value option to account for the eligible financial assets and liabilities of its consolidated Investing VIEs in order to mitigate potential accounting mismatches between the carrying value of the instruments and the related assets and liabilities to be consolidated. The Company has adopted guidance issued by the FASB allowing the Company to measure both the financial assets and liabilities of a qualifying CFE it consolidates using the fair value of either the CFE's financial assets or financial liabilities, whichever is more observable.

Business Combinations

The Company evaluates each purchase transaction to determine whether the acquired assets meet the definition of a business. If substantially all of the fair value of gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets, then the set of transferred assets and activities is not a business. If not, for an acquisition to be considered a business, it would have to include an input and a substantive process that together significantly contribute to the ability to create outputs (i.e., there is a continuation of revenue before and after the transaction). A substantive process is not ancillary or minor, cannot be replaced without significant cost, effort or delay or is otherwise considered unique or scarce. To qualify as a business without outputs, the acquired assets would require an organized workforce with the necessary skills, knowledge and experience that performs a substantive process.

Net cash paid to acquire a business or assets is classified as investing activities on the accompanying statements of cash flows.

The Company accounts for business combinations by applying the acquisition method. Transaction costs related to acquisition of a business are expensed as incurred and excluded from the fair value of consideration transferred. The identifiable assets acquired, liabilities assumed and noncontrolling interests in an acquired entity are recognized and measured at their estimated fair values. The excess of the fair value of consideration transferred over the fair values of identifiable assets acquired, liabilities assumed and noncontrolling interests in an acquired entity, net of fair value of any previously held interest in the acquired entity, is recorded as goodwill. Such valuations require management to make significant estimates and assumptions.

For acquisitions that are not deemed to be businesses, the assets acquired are recognized based on their cost to the Company as the acquirer and no gain or loss is recognized unless the fair value of non-cash assets given as consideration differs from the carrying amount of the assets acquired. The cost of assets acquired in a group is allocated to individual assets within the group based on their relative fair values and does not give rise to goodwill. Transaction costs related to acquisition of assets are included in the cost basis of the assets acquired.

Cash and Cash Equivalents

Short-term, highly liquid investments with original maturities of three months or less are considered to be cash equivalents. The Company did not have any cash equivalents at March 31, 2018 or December 31, 2017. The Company's cash is held with major financial institutions and may at times exceed federally insured limits.

Restricted Cash

Restricted cash consists primarily of borrower escrow deposits, tenant escrow deposits and real estate capital expenditure reserves.

Loans Held for Investment

The Company originates and purchases loans held for investment. The accounting framework for loans held for investment depends on the Company's strategy whether to hold or sell the loan, whether the loan was credit-impaired at time of acquisition, or if the lending arrangement is an acquisition, development and construction loan.

Loans Held for Investment (other than Purchased Credit-Impaired Loans)

Loans that the Company has the intent and ability to hold for the foreseeable future are classified as held for investment. Originated loans are recorded at amortized cost, or outstanding unpaid principal balance plus exit fees less net deferred loan fees. Net deferred loan fees include unamortized origination and other fees charged to the borrower less direct incremental loan origination costs

incurred by the Company. Purchased loans are recorded at amortized cost, or unpaid principal balance plus purchase premium or less unamortized discount. Costs to purchase loans are expensed as incurred.

Interest Income-Interest income is recognized based upon contractual interest rate and unpaid principal balance of the loans. Net deferred loan fees on originated loans are deferred and amortized as adjustments to interest income over the expected life of the loans using the effective yield method. Premium or discount on purchased loans are amortized as adjustments to interest income over the expected life of the loans using the effective yield method. For revolving loans, net deferred loan fees, premium or discount are amortized to interest income using the straight-line method. When a loan is prepaid, prepayment fees and any excess of proceeds over the carrying amount of the loan are recognized as additional interest income.

Nonaccrual-Accrual of interest income is suspended on nonaccrual loans. Loans that are past due 90 days or more as to principal or interest, or where reasonable doubt exists as to timely collection, are generally considered nonperforming and placed on nonaccrual. Interest receivable is reversed against interest income when loans are placed on nonaccrual status. Interest collection on nonaccruing loans for which ultimate collectability of principal is uncertain is recognized using a cost recovery method by applying interest collected as a reduction to loan principal; otherwise, interest collected is recognized on a cash basis by crediting to income when received. Loans may be restored to accrual status when all principal and interest is current and full repayment of the remaining contractual principal and interest is reasonably assured.

Impairment and Allowance for Loan Losses-On a periodic basis, the Company analyzes the extent and effect of any credit migration from underwriting and the initial investment review associated with the performance of a loan and/or value of its underlying collateral, financial and operating capability of the borrower or sponsor, as well as amount and status of any senior loan, where applicable. Specifically, operating results of collateral properties and any cash reserves are analyzed and used to assess whether cash from operations are sufficient to cover debt service requirements currently and into the future, ability of the borrower to refinance the loan, liquidation value of collateral properties, financial wherewithal of any loan guarantors as well as the borrower's competency in managing and operating the collateral properties. Such analysis is performed at least quarterly, or more often as needed when impairment indicators are present.

Loans are considered to be impaired when it is probable that the Company will not be able to collect all amounts due in accordance with contractual terms of the loans, including consideration of underlying collateral value. Allowance for loan losses represents the estimated probable credit losses inherent in loans held for investment at balance sheet date. Changes in allowance for loan losses are recorded in the provision for loan losses on the statement of operations. Allowance for loan losses generally exclude interest receivable as accrued interest receivable is reversed when a loan is placed on nonaccrual status. Allowance for loan losses is generally measured as the difference between the carrying value of the loan and either the present value of cash flows expected to be collected, discounted at the original effective interest rate of the loan or an observable market price for the loan. Subsequent changes in impairment are recorded as adjustments to the provision for loan losses. Loans are charged off against allowance for loan losses when all or a portion of the principal amount is determined to be uncollectible. A loan is considered to be collateral-dependent when repayment of the loan is expected to be provided solely by the underlying collateral. Impaired collateral-dependent loans are written down to the fair value of the collateral less disposal cost, first through a charge-off against allowance for loan losses, if any, then recorded as impairment loss.

Troubled Debt Restructuring ("TDR")-A loan with contractual terms modified in a manner that grants concession to the borrower who is experiencing financial difficulty is classified as a TDR. Concessions could include term extensions, payment deferrals, interest rate reductions, principal forgiveness, forbearance, or other actions designed to maximize the Company's collection on the loan. As a TDR is generally considered to be an impaired loan, it is measured for impairment based on the Company's allowance for loan losses methodology.

Loans Held for Sale

Loans that the Company intends to sell or liquidate in the foreseeable future are classified as held for sale. Loans held for sale are carried at the lower of amortized cost or fair value less disposal cost, with valuation changes recognized as impairment loss. Loans held for sale are not subject to allowance for loan losses. Net deferred loan origination fees and loan purchase premiums or discounts are deferred and capitalized as part of the carrying value of the held for sale loan until the loan is sold, therefore included in the periodic valuation adjustments based on lower of cost or fair value less disposal cost.

Purchased Credit-Impaired ("PCI") Loans

PCI loans are acquired loans with evidence of credit quality deterioration for which it is probable at acquisition that the Company will collect less than the contractually required payments. PCI loans are recorded at the initial investment in the loans and accreted to the estimated cash flows expected to be collected as measured at acquisition date. The excess of cash flows expected to be

collected, measured as of acquisition date, over the estimated fair value represents the accretable yield and is recognized in interest income over the remaining life of the loan using the effective interest method. The difference between contractually required payments as of the acquisition date and the cash flows expected to be collected ("nonaccretable difference") is not recognized as an adjustment of yield, loss accrual or valuation allowance.

The Company evaluates estimated future cash flows expected to be collected on a quarterly basis, starting with the first full quarter after acquisition, or earlier if conditions indicating impairment are present. If the cash flows expected to be collected cannot be reasonably estimated, either at acquisition or in subsequent evaluation, the Company may consider placing such PCI loans on nonaccrual, with interest income recognized using the cost recovery method or on a cash basis. Subsequent decreases in cash flows expected to be collected are evaluated to determine whether a provision for loan loss should be established. If decreases in expected cash flows result in a decrease in the estimated fair value of the loan below its amortized cost, the Company records a provision for loan losses calculated as the difference between the loan's amortized cost and the revised cash flows, discounted at the loan's effective yield. Subsequent significant increases in cash flows expected to be collected are first applied to reverse any previously recorded allowance for loan losses, with any remaining increases recognized prospectively through an adjustment to yield over its remaining life.

Factors that most significantly affect estimates of cash flows expected to be collected, and accordingly the accretable yield, include: (i) estimate of the remaining life of acquired loans which may change the amount of future interest income; (ii) changes to prepayment assumptions; (iii) changes to collateral value assumptions for loans expected to foreclose; and (iv) changes in interest rates on variable rate loans.

PCI loans may be aggregated into pools based upon common risk characteristics, such as loan performance, collateral type and/or geographic location of the collateral. A pool is accounted for as a single asset with a single composite yield and an aggregate expectation of estimated future cash flows. A PCI loan modified within a pool remains in the pool, with the effect of the modification incorporated into the expected future cash flows. A loan resolution within a loan pool, which may involve the sale of the loan or foreclosure on the underlying collateral, results in the removal of an allocated carrying amount, including an allocable portion of any existing allowance.

Acquisition, Development and Construction ("ADC") Loan Arrangements

The Company provides loans to third party developers for the acquisition, development and construction of real estate. Under an ADC arrangement, the Company participates in the expected residual profits of the project through the sale, refinancing or other use of the property. The Company evaluates the characteristics of each ADC arrangement, including its risks and rewards, to determine whether they are more similar to those associated with a loan or an investment in real estate. ADC arrangements with characteristics implying loan classification are presented as loans held for investment and result in the recognition of interest income. ADC arrangements with characteristics implying real estate joint ventures are presented as investments in unconsolidated joint ventures and are accounted for using the equity method. The classification of each ADC arrangement as either loan receivable or real estate joint venture involves significant judgment and relies on various factors, including market conditions, amount and timing of expected residual profits, credit enhancements in the form of guaranties, estimated fair value of the collateral, and significance of borrower equity in the project, among others. The classification of ADC arrangements is performed at inception, and periodically reassessed when significant changes occur in the circumstances or conditions described above.

Operating Real Estate

Real Estate Acquisitions-Real estate acquired in acquisitions that are deemed to be business combinations is recorded at the fair values of the acquired components at the time of acquisition, allocated among land, buildings, improvements, equipment and lease-related tangible and identifiable intangible assets and liabilities, including foregone leasing costs, in-place lease values and above- or below-market lease values. Real estate acquired in acquisitions that are deemed to be asset acquisitions is recorded at the total value of consideration transferred, including transaction costs, allocated to the acquired components based upon relative fair value. The estimated fair value of acquired land is derived from recent comparable sales of land and listings within the same local region based on available market data. The estimated fair value of acquired buildings and building improvements is derived from comparable sales, discounted cash flow analysis using market-based assumptions, or replacement cost, as appropriate. The fair value of site and tenant improvements is estimated based upon current market replacement costs and other relevant market rate information.

Real Estate Held for Investment

Real estate held for investment are carried at cost less accumulated depreciation.

Costs Capitalized or Expensed-Expenditures for ordinary repairs and maintenance are expensed as incurred, while expenditures for significant renovations that improve or extend the useful life of the asset are capitalized and depreciated over their estimated useful lives.

Depreciation-Real estate held for investment, other than land, are depreciated on a straight-line basis over the estimated useful lives of the assets, as follows:

Real Estate Assets	Term
Building (fee interest)	7 to 53 years
Building leasehold interests	Lesser of remaining term of the lease or remaining life of the building
Building improvements	Lesser of the useful life or remaining life of the building
Land improvements	6 to 12 years
Tenant improvements	Lesser of the useful life or remaining term of the lease
Furniture, fixtures and equipment	7 to 8 years

Impairment-The Company evaluates its real estate held for investment for impairment periodically or whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. The Company evaluates cash flows and determines impairments on an individual property basis. In making this determination, the Company reviews, among other things, current and estimated future cash flows associated with each property, market information for each sub-market, including, where applicable, competition levels, foreclosure levels, leasing trends, occupancy trends, lease or room rates, and the market prices of similar properties recently sold or currently being offered for sale, and other quantitative and qualitative factors. If an impairment indicator exists, the Company evaluates whether the expected future undiscounted cash flows is less than the carrying amount of the asset, and if the Company determines that the carrying value is not recoverable, an impairment loss is recorded for the difference between the estimated fair value and the carrying amount of the asset.

Real Estate Held for Sale

Classification as Held for Sale-Real estate is classified as held for sale in the period when (i) management approves a plan to sell the asset, (ii) the asset is available for immediate sale in its present condition, subject only to usual and customary terms, (iii) a program is initiated to locate a buyer and actively market the asset for sale at a reasonable price, and (iv) completion of the sale is probable within one year. Real estate held for sale is stated at the lower of its carrying amount or estimated fair value less disposal cost, with any write-down to fair value less disposal cost recorded as an impairment loss. For any increase in fair value less disposal cost subsequent to classification as held for sale, the impairment loss may be reversed, but only up to the amount of cumulative loss previously recognized. Depreciation is not recorded on assets classified as held for sale.

If circumstances arise that were previously considered unlikely and, as a result, the Company decides not to sell the real estate asset previously classified as held for sale, the real estate asset is reclassified as held for investment. Upon reclassification, the real estate asset is measured at the lower of (i) its carrying amount prior to classification as held for sale, adjusted for depreciation expense that would have been recognized had the real estate been continuously classified as held for investment, and (ii) its estimated fair value at the time the Company decides not to sell.

Real Estate Sales-The Company evaluates if real estate sale transactions qualify for recognition under the full accrual method, considering whether, among other criteria, the buyer’s initial and continuing investments are adequate to demonstrate a commitment to pay, any receivable due to the Company is not subject to future subordination, the Company has transferred to the buyer the usual risks and rewards of ownership and the Company does not have a substantial continuing involvement with the sold real estate. At the time the sale is consummated, a gain or loss is recognized as the difference between the sale price less disposal cost and the carrying value of the real estate.

Foreclosed Properties

The Company receives foreclosed properties in full or partial settlement of loans held for investment by taking legal title or physical possession of the properties. Foreclosed properties are recognized, generally, at the time the real estate is received at foreclosure sale or upon execution of a deed in lieu of foreclosure. Foreclosed properties are initially measured at fair value. Deficiencies compared to the carrying value of the loan, after reversing any previously recognized loss provision on the loan, are recorded as impairment loss. The Company periodically evaluates foreclosed properties for subsequent decrease in fair value, which is recorded as additional impairment loss. Fair value of foreclosed properties is generally based on third party appraisals, broker price opinions, comparable sales or a combination thereof.

Real Estate Securities

The Company classifies its CRE securities investments as available for sale on the acquisition date, which are carried at fair value. Unrealized gains (losses) are recorded as a component of accumulated OCI in the consolidated statements of equity. However, the Company has elected the fair value option for certain of its available for sale securities, and as a result, any unrealized gains (losses) on such securities are recorded in unrealized gain (loss) on mortgage loans and obligations held in securitization trusts, net in the consolidated statements of operations. As of March 31, 2018, the Company held subordinate tranches of three securitization trusts, which represent the Company's retained interest in the securitization trusts, which the Company consolidates under U.S. GAAP. Refer to Note 7, "Real Estate Securities, Available for Sale" for further discussion.

Impairment

CRE securities for which the fair value option is elected are not evaluated for other-than-temporary impairment ("OTTI") as any change in fair value is recorded in the consolidated statements of operations. Realized losses on such securities are reclassified to realized gain (loss) on investments as losses occur.

CRE securities for which the fair value option is not elected are evaluated for OTTI quarterly. Impairment of a security is considered to be other-than-temporary when: (i) the holder has the intent to sell the impaired security; (ii) it is more likely than not the holder will be required to sell the security; or (iii) the holder does not expect to recover the entire amortized cost of the security. When a CRE security has been deemed to be other-than-temporarily impaired due to (i) or (ii), the security is written down to its fair value and an OTTI is recognized in the consolidated statements of operations. In the case of (iii), the security is written down to its fair value and the amount of OTTI is then bifurcated into: (a) the amount related to expected credit losses; and (b) the amount related to fair value adjustments in excess of expected credit losses. The portion of OTTI related to expected credit losses is recognized in the consolidated statements of operations. The remaining OTTI related to the valuation adjustment is recognized as a component of accumulated OCI in the consolidated statements of equity. CRE securities which are not high-credit quality are considered to have an OTTI if the security has an unrealized loss and there has been an adverse change in expected cash flow. The amount of OTTI is then bifurcated as discussed above. As of March 31, 2018, the Company did not have any OTTI recorded on its CRE securities.

Investments in Unconsolidated Ventures

A noncontrolling, unconsolidated ownership interest in an entity may be accounted for using the equity method, cost method or under the fair value option, if elected.

The Company accounts for investments under the equity method of accounting if they have the ability to exercise significant influence over the operating and financial policies of an entity, but do not have a controlling financial interest. The equity method investment is initially recorded at cost and adjusted each period for capital contributions, distributions and the Company's share of the entity's net income or loss as well as other comprehensive income or loss. The Company's share of net income or loss may differ from the stated ownership percentage interest in an entity if the governing documents prescribe a substantive non-pro rata earnings allocation formula or a preferred return to certain investors. For certain equity method investments, the Company records its proportionate share of income on a one to three month lag. Distributions of operating profits from equity method investments are reported as operating activities, while distributions in excess of operating profits or those related to capital transactions, such as a financing transactions or sales, are reported as investing activities in the statement of cash flows.

Investments that do not qualify for equity method accounting are accounted for under the cost method. The Company elected the fair value option for certain cost method investments, specifically limited partnership interests in PE Investments. The Company records the change in fair value for their share of the projected future cash flows of such investments in equity in earnings (losses) of unconsolidated ventures. Any change in fair value attributed to market related assumptions is recorded in other gain (loss), net, on the statement of operations.

Other than investments in PE Investments and investments in senior and mezzanine loans held in joint ventures, all of the Company's investments in unconsolidated ventures at March 31, 2018 were made up of ADC arrangements accounted for as equity method investments. At December 31, 2017, the Company's investments in unconsolidated ventures consisted of investments in PE Investments and ADC arrangements accounted for as equity method investments.

Impairment-If indicators of impairment exist, the Company performs an evaluation of their equity method investments to assess whether the fair value of their investment is less than its carrying value. To the extent the decrease in value is considered to be other-than-temporary and an impairment has occurred, the investment is written down to its estimated fair value, recorded in earnings from investment in unconsolidated ventures.

Identifiable Intangibles

In a business combination or asset acquisition, the Company may recognize identifiable intangibles that meet either or both the contractual-legal criterion or the separability criterion. Indefinite-lived intangibles are not subject to amortization until such time that its useful life is determined to no longer be indefinite, at which point, it will be assessed for impairment and its adjusted carrying amount amortized over its remaining useful life. Finite-lived intangibles are amortized over their useful life in a manner that reflects the pattern in which the intangible is being consumed if readily determinable, such as based upon expected cash flows; otherwise they are amortized on a straight line basis. The useful life of all identified intangibles will be periodically reassessed and if useful life changes, the carrying amount of the intangible will be amortized prospectively over the revised useful life. Finite-lived intangibles are periodically reviewed for impairment and an impairment loss is recognized if the carrying amount of the intangible is not recoverable and exceeds its fair value. An impairment establishes a new basis for the identifiable intangibles and any impairment loss recognized is not subject to subsequent reversal.

Identifiable intangibles recognized in acquisitions of operating real estate properties generally include in-place leases, above- or below-market leases and deferred leasing costs. In-place leases generate value over and above the tangible real estate because a property that is occupied with leased space is typically worth more than a vacant building without an operating lease contract in place. The estimated fair value of acquired in-place leases is derived based on management’s assessment of costs avoided from having tenants in place, including lost rental income, rent concessions and tenant allowances or reimbursements, that hypothetically would be incurred to lease a vacant building to its actual existing occupancy level on the valuation date. The net amount recorded for acquired in-place leases is included in intangible assets and amortized on a straight-line basis as an increase to depreciation and amortization expense over the remaining term of the applicable leases. If an in-place lease is terminated, the unamortized portion is charged to depreciation and amortization expense.

The estimated fair value of the above- or below-market component of acquired leases represents the present value of the difference between contractual rents of acquired leases and market rents at the time of the acquisition for the remaining lease term, discounted for tenant credit risks. Above- or below-market operating lease values are amortized on a straight-line basis as a decrease or increase to rental income, respectively, over the applicable lease terms. This includes fixed rate renewal options in acquired leases that are below-market, which is amortized to decrease rental income over the renewal period. Above- or below-market ground lease obligations are amortized on a straight-line basis as a decrease or increase to rent expense, respectively, over the applicable lease terms. If the above- or below-market operating lease values or above- or below-market ground lease obligations are terminated, the unamortized portion of the lease intangibles are recorded in rental income or rent expense, respectively.

Deferred leasing costs represent management’s estimation of the avoided leasing commissions and legal fees associated with an existing in-place lease. The net amount is included in intangible assets and amortized on a straight-line basis as an increase to depreciation and amortization expense over the remaining term of the applicable lease.

Transfers of Financial Assets

Sale accounting for transfers of financial assets requires the transfer of an entire financial asset, a group of financial assets in its entirety or if a component of the financial asset is transferred, that component meets the definition of a participating interest by having characteristics that mirror the original financial asset.

Transfers of financial assets are accounted for as sales when control over the assets has been surrendered. If the Company has any continuing involvement, rights or obligations with the transferred financial asset (outside of standard representations and warranties), sale accounting would require that the transfer meets the following sale conditions: (1) the transferred asset has been legally isolated; (2) the transferee has the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred asset; and (3) the Company does not maintain effective control over the transferred asset through an agreement that provides for (a) both an entitlement and an obligation by the Company to repurchase or redeem the asset before its maturity, or (b) the unilateral ability by the Company to reclaim the asset and a more than trivial benefit attributable to that ability, or (c) the transferee requiring the Company to repurchase the asset at a price so favorable to the transferee that it is probable the repurchase will occur.

If sale accounting is met, the transferred financial asset is removed from the balance sheet and a net gain or loss is recognized upon sale, taking into account any retained interests. Transfers of financial assets that do not meet the criteria for sale are accounted for as financing transactions, or secured borrowing.

Financing Costs

Financing costs primarily include debt discounts and premiums as well as deferred financing costs. Deferred financing costs represent commitment fees, legal and other third-party costs associated with obtaining financing. Costs related to revolving credit facilities are recorded in other assets and are amortized to interest expense using the straight-line basis over the term of the facility. Costs related to other borrowings are recorded net against the carrying value of such borrowings and are amortized to interest expense using the effective interest method. Unamortized deferred financing costs are expensed to realized gain (loss) when the associated facility is repaid before maturity. Costs incurred in seeking financing transactions, which do not close, are expensed in the period in which it is determined that the financing will not occur.

Revenue Recognition

Property Operating Income

Property operating income includes the following:

Rental Income-Rental income is recognized on a straight-line basis over the noncancelable term of the related lease which includes the effects of minimum rent increases and rent abatements under the lease. Rents received in advance are deferred.

When it is determined that the Company is the owner of tenant improvements, the cost to construct the tenant improvements, including costs paid for or reimbursed by the tenants, is capitalized. For tenant improvements owned by the Company, the amount funded by or reimbursed by the tenants are recorded as deferred revenue, which is amortized on a straight-line basis as additional rental income over the term of the related lease. Rental income recognition commences when the leased space is substantially ready for its intended use and the tenant takes possession of the leased space.

When it is determined that the tenant is the owner of tenant improvements, the Company’s contribution towards those improvements is recorded as a lease incentive, included in deferred leasing costs and intangible assets on the balance sheet, and amortized as a reduction to rental income on a straight-line basis over the term of the lease. Rental income recognition commences when the tenant takes possession of the lease space.

Tenant Reimbursements-In net lease arrangements, the tenant is generally responsible for operating expenses relating to the property, including real estate taxes, property insurance, maintenance, repairs and improvements. Costs reimbursable from tenants and other recoverable costs are recognized as revenue in the period the recoverable costs are incurred. When the Company is the primary obligor with respect to purchasing goods and services for property operations and has discretion in selecting the supplier and retains credit risk, tenant reimbursement revenue and property operating expenses are presented on a gross basis in the statements of operations. For certain triple net leases where the lessee self-manages the property, hires its own service providers and retains credit risk for routine maintenance contracts, no reimbursement revenue and expense are recognized.

Hotel Operating Income-Hotel operating income includes room revenue, food and beverage sales and other ancillary services. Revenue is recognized upon occupancy of rooms, consummation of sales and provision of services.

Real Estate Securities

Interest income is recognized using the effective interest method with any premium or discount amortized or accreted through earnings based on expected cash flow through the expected maturity date of the security. Changes to expected cash flow may result in a change to the yield which is then applied retrospectively for high-credit quality securities that cannot be prepaid or otherwise settled in such a way that the holder would not recover substantially all of the investment or prospectively for all other securities to recognize interest income.

Foreign Currency

Assets and liabilities denominated in a foreign currency for which the functional currency is a foreign currency are translated using the exchange rate in effect at balance sheet date and the corresponding results of operations for such entities are translated using the average exchange rate in effect during the period. The resulting foreign currency translation adjustments are recorded as a component of accumulated other comprehensive income or loss in stockholders’ equity.

Assets and liabilities denominated in a foreign currency for which the functional currency is the U.S. dollar are remeasured using the exchange rate in effect at balance sheet date and the corresponding results of operations for such entities are remeasured using the average exchange rate in effect during the period. The resulting foreign currency remeasurement adjustments are recorded in other gain (loss) on investments on the statements of operations.

Disclosures of non-US dollar amounts to be recorded in the future are translated using exchange rates in effect at the balance sheet date.

Equity-Based Compensation

Equity-classified stock awards granted to executive officers and directors that have a service condition only are remeasured at fair value at the end of each reporting period until the award is fully vested. Fair value is determined based on the closing price of the Company's Class A common stock at the date of grant or date of remeasurement. The Company recognizes equity-based compensation expense on a straight-line basis over the requisite service period of the awards, with the amount of compensation expense recognized at the end of a reporting period at least equal to the fair value of the portion of the award that has vested through that date. The compensation expense is adjusted for actual forfeitures upon occurrence. Equity-based compensation is classified within administrative expense in the consolidated statement of operations.

Earnings Per Share

The Company presents both basic and diluted earnings per share, or EPS using the two-class method. Basic EPS is calculated by dividing earnings allocated to common shareholders, as adjusted for unallocated earnings attributable to certain participating securities, if any, by the weighted-average number of common shares outstanding during the period. Diluted EPS is based on the weighted-average number of common shares and the effect of potentially dilutive common share equivalents outstanding during the period. The two-class method is an allocation formula that determines earnings per share for each share of common stock and participating securities according to dividends declared and participation rights in undistributed earnings. Under this method, all earnings (distributed and undistributed) are allocated to common shares and participating securities based on their respective rights to receive dividends. The Company has certain share-based payment awards that contain nonforfeitable rights to dividends, which are considered participating securities for the purposes of computing EPS pursuant to the two-class method.

Income Taxes

The Company intends to elect to be taxed as a REIT and to comply with the related provisions of the Internal Revenue Code beginning in its taxable year ending December 31, 2018. Accordingly, the Company will generally not be subject to U.S. federal income tax to the extent of its distributions to stockholders as long as certain asset, income, distribution and share ownership tests are met. The Company believes that all of the criteria to maintain the Company's REIT qualification have been met for the applicable periods, but there can be no assurance that these criteria will continue to be met in subsequent periods. If the Company were to fail to meet these requirements, it would be subject to U.S. federal income tax and potential interest and penalties, which could have a material adverse impact on its results of operations and amounts available for distributions to its stockholders. The Company's accounting policy with respect to interest and penalties is to classify these amounts as a component of income tax expense, where applicable.

The Company may also be subject to certain state, local and franchise taxes. Under certain circumstances, U.S. federal income and excise taxes may be due on its undistributed taxable income.

The Company made joint elections to treat certain subsidiaries as taxable REIT subsidiaries ("TRS") which may be subject to U.S. federal, state and local income taxes. In general, a TRS of the Company may perform non-customary services for tenants, hold assets that the REIT cannot hold directly and may engage in most real estate or non-real estate-related business.

Certain subsidiaries of the Company are subject to taxation by U.S. federal, state and local authorities for the periods presented. Income taxes are accounted for by the asset/liability approach in accordance with U.S. GAAP. Deferred taxes, if any, represent the expected future tax consequences when the reported amounts of assets and liabilities are recovered or paid. Such amounts arise from differences between the financial reporting and tax bases of assets and liabilities and are adjusted for changes in tax laws and tax rates in the period which such changes are enacted. A provision for income tax represents the total of income taxes paid or payable for the current period, plus the change in deferred taxes. Current and deferred taxes are recorded on the portion of earnings (losses) recognized by the Company with respect to its interest in TRSs. Deferred income tax assets and liabilities are calculated based on temporary differences between the Company's U.S. GAAP consolidated financial statements and the U.S. federal, state and local tax basis of assets and liabilities as of the consolidated balance sheet date. The Company evaluates the realizability of its deferred tax assets (e.g., net operating loss and capital loss carryforwards) and recognizes a valuation allowance if, based on the available evidence, it is more likely than not that some portion or all of its deferred tax assets will not be realized. When evaluating the realizability of its deferred tax assets, the Company considers estimates of expected future taxable income, existing and projected book/tax differences, tax planning strategies available and the general and industry specific economic outlook. This realizability analysis is inherently subjective, as it requires the Company to forecast its business and general economic

environment in future periods. Changes in estimate of deferred tax asset realizability, if any, are included in income tax benefit (expense) in the consolidated statements of operations.

On December 22, 2017, the Tax Cuts and Jobs Act was enacted, which provides for a reduction in the U.S. federal corporate income tax rate from 35% to 21% effective January 1, 2018. At December 31, 2017, the Company recognized a provisional amount of approximately $2.0 million of income tax expense relating to the remeasurement of its deferred tax balances based on the rate at which they are expected to reverse in the future, which is generally 21%. The Company is still analyzing certain aspects of the Tax Cuts and Jobs Act and refining their calculations, which could potentially affect the measurement of these balances or potentially give rise to new deferred tax amounts.

For the three months ended March 31, 2018 and 2017, the Company recorded income tax benefits of $0.5 million and $0.2 million, respectively.

Recent Accounting Pronouncements

Revenue Recognition-In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which amends existing revenue recognition standards by establishing principles for a single comprehensive model for revenue measurement and recognition, along with enhanced disclosure requirements. Key provisions include, but are not limited to, determining which goods or services are capable of being distinct in a contract to be accounted for separately as a performance obligation and recognizing variable consideration only to the extent that it is probable a significant revenue reversal would not occur. The new revenue standard may be applied retrospectively to each prior period presented (full retrospective) or retrospectively to contracts not completed as of date of initial application with the cumulative effect recognized in retained earnings (modified retrospective). ASU No. 2014-09 was originally effective for fiscal years and interim periods beginning after December 15, 2016 for public companies that are not emerging growth companies ("EGCs") and December 15, 2017 for private companies and public companies that are EGCs. In July 2015, the FASB deferred the effective date of the new standard by one year. Early adoption is permitted but not before the original effective date. The FASB has subsequently issued several amendments to the standard, including clarifying the guidance on assessing principal versus agent based on the notion of control, which affects recognition of revenue on a gross or net basis. These amendments have the same effective date and transition requirements as the new standard.

The Company will adopt the standard using the modified retrospective approach on January 1, 2019. The standard excludes from its scope the areas of accounting that most significantly affect revenue recognition for the core activities of the Company, including accounting for financial instruments and leases. Evaluation of the impact of this new guidance is ongoing.

Financial Instruments-In January 2016, the FASB issued ASU No. 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*, which affects accounting for investments in equity securities, financial liabilities under the fair value option, as well as presentation and disclosures, but does not affect accounting for investments in debt securities and loans. Investments in equity securities, other than equity method investments, will be measured at fair value through earnings, except for equity securities without readily determinable fair values which may be measured at cost less impairment and adjusted for observable price changes under application of the measurement alternative, unless these equity securities qualify for the net asset value ("NAV") practical expedient. This provision eliminates cost method accounting and recognition of unrealized holding gains or losses on equity investments in other comprehensive income. For financial liabilities under the fair value option, changes in fair value resulting from the Company's own instrument-specific credit risk will be recorded separately in other comprehensive income. Fair value disclosures of financial instruments measured at amortized cost will be based on exit price and corresponding disclosures of valuation methodology and significant inputs will no longer be required. In February 2018, the FASB issued ASU 2018-03, *Technical Corrections and Improvements to Financial Instruments, Recognition and Measurement of Financial Assets and Financial Liabilities*, which provided several clarifications and amendments to the standard. These include specifying that for equity instruments without readily determinable fair values for which the measurement alternative is applied: (i) adjustments made when an observable transaction occurs for a similar security are intended to reflect the fair value as of the observable transaction date, not as of current reporting date; (ii) the measurement alternative may be discontinued upon an irrevocable election to change to a fair value measurement approach under fair value guidance, which would apply to all identical and similar investments of the same issuer; and (iii) the prospective transition approach for equity securities without readily determinable fair values is applicable only when the measurement alternative is applied. ASU No. 2016-01 is effective for fiscal years and interim periods beginning after December 15, 2017 for public companies that are not EGCs and December 15, 2018 for private companies and public companies that are EGCs. Early adoption is limited to specific provisions. ASU 2016-01 is to be applied retrospectively with cumulative effect as of the beginning of the first reporting period adopted recognized in retained earnings, except for provisions related to equity investments without readily determinable fair values for which the measurement alternative is applied and exit price fair value disclosures for financial instruments measured at amortized cost, which are to be applied prospectively.

As of March 31, 2018, all of the Company's investments in unconsolidated ventures are equity method investments and the Company does not have any cost method investments nor has the Company elected fair value option on its financial liabilities which fall under the scope of this guidance.

The Company will adopt the new guidance on January 1, 2019. Evaluation of the impact of this new guidance is ongoing, but at this time the Company does not expect the adoption of this standard to have a material effect on its financial condition or results of operations.

Leases- In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which amends existing lease accounting standards, primarily requiring lessees to recognize most leases on balance sheet, as well as making targeted changes to lessor accounting. As lessee, a right-of-use asset and corresponding liability for future obligations under a leasing arrangement would be recognized on balance sheet. As lessor, gross leases will be subject to allocation between lease and non-lease service components, with the latter accounted for under the new revenue recognition standard. As the new lease standard requires congruous accounting treatment between lessor and lessee in a sale-leaseback transaction, if the seller/lessee does not achieve sale accounting, it would be considered a financing transaction to the buyer/lessor. Additionally, under the new lease standard, only incremental initial direct costs incurred in the execution of a lease can be capitalized by the lessor and lessee.

ASU No. 2016-02 is effective for fiscal years and interim periods beginning after December 15, 2017 for public companies that are not EGCs and December 15, 2018 for private companies and public companies that are EGCs. Early adoption is permitted. The new leases standard requires adoption using a modified retrospective approach for all leases existing at, or entered into after, the date of initial application. Full retrospective application is prohibited. The FASB has subsequently issued and proposed several amendments to the standard, including approving an amendment to provide optional transitional relief to apply the effective date of the new lease standard as the date of initial application in transition instead of the earliest comparative period presented, as well as to provide certain practical expedients, which include not segregating non-lease components from the related lease components but to account for those components as a single lease component by class of underlying assets.

The Company intends to adopt the package of practical expedients under the guidance, which provides exemptions from having to reassess whether any expired or expiring contracts contain leases, revisit lease classification for any expired or expiring leases and reassess initial direct costs for any existing leases.

When the approved amendment is issued by the FASB, the Company expects to adopt the transition option, in which case, the cumulative effect adjustment to the opening balance of retained earnings will be recognized as of the effective date of adoption, including new disclosures, rather than as of the earliest period presented, and are not required for prior comparative periods. In addition, the Company expects to make an accounting policy election to treat lease and related non-lease components in a contract as a single performance obligation to the extent that the timing and pattern of revenue recognition are the same for the lease and non-lease components and the combined single lease component is classified as an operating lease.

Evaluation of the impact of this new guidance to the Company is ongoing.

Credit Losses- In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments-Credit Losses*, which amends the credit impairment model for financial instruments. The existing incurred loss model will be replaced with a lifetime current expected credit loss ("CECL") model for financial instruments carried at amortized cost and off-balance sheet credit exposures, such as loans, loan commitments, held-to-maturity ("HTM") debt securities, financial guarantees, net investment in leases, reinsurance and trade receivables, which will generally result in earlier recognition of allowance for losses. For AFS debt securities, unrealized credit losses will be recognized as allowances rather than reductions in amortized cost basis and elimination of the OTTI concept will result in more frequent estimation of credit losses. The accounting model for purchased credit impaired loans and debt securities will be simplified, including elimination of some of the asymmetrical treatment between credit losses and credit recoveries, to be consistent with the CECL model for originated and purchased non-credit impaired assets. The existing model for beneficial interests that are not of high credit quality will be amended to conform to the new impairment models for HTM and AFS debt securities. Expanded disclosures on credit risk include credit quality indicators by vintage for financing receivables and net investment in leases. Transition will generally be on a modified retrospective basis, with prospective application for other-than-temporarily impaired debt securities and purchased credit impaired assets. ASU No. 2016-13 is effective for fiscal years and interim periods beginning after December 15, 2019 for public companies that are not EGCs and December 15, 2020 for private companies and public companies that are EGCs. Early adoption is permitted for annual and interim periods beginning after December 15, 2018. The Company expects that recognition of credit losses will generally be accelerated under the CECL model. Evaluation of the impact of this new guidance is ongoing.

Cash Flow Classifications- In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments*, which is intended to reduce diversity in practice in certain classifications on the statement of

cash flows. This guidance addresses eight types of cash flows, which includes clarifying how the predominance principle should be applied when cash receipts and cash payments have aspects of more than one class of cash flows, as well as requiring an accounting policy election for classification of distributions received from equity method investees using either the cumulative earnings or nature of distributions approach, among others. Transition will generally be on a retrospective basis. ASU No. 2016-15 is effective for fiscal years and interim periods beginning after December 15, 2017 for public companies that are not EGCs and December 15, 2018 for private companies and public companies that are EGCs. Early adoption is permitted, provided that all amendments within the guidance are adopted in the same period. The Company will adopt the new guidance on January 1, 2019. Upon adoption, the Company anticipates making an accounting policy election for classification of distributions from its equity method investees using the cumulative earnings approach.

Restricted Cash- In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows: Restricted Cash*, which requires that cash and cash equivalent balances in the statement of cash flows include restricted cash and restricted cash equivalent amounts, and therefore, changes in restricted cash and restricted cash equivalents be presented in the statement of cash flows. This will eliminate the presentation of transfers between cash and cash equivalents with restricted cash and restricted cash equivalents in the statement of cash flows. When cash, cash equivalents, restricted cash and restricted cash equivalents are presented in more than one line item on the balance sheet, this ASU requires disclosure of a reconciliation between the totals in the statement of cash flows and the related captions in the balance sheet. The new guidance also requires disclosure of the nature of restricted cash and restricted cash equivalents, similar to existing requirements under Regulation S-X; however, it does not define restricted cash and restricted cash equivalents. ASU No. 2016-18 is effective for fiscal years and interim periods beginning after December 15, 2017 for public companies that are not EGCs and December 15, 2018 for private companies and public companies that are EGCs, to be applied retrospectively, with early adoption permitted. If early adopted in an interim period, adjustments are to be reflected as of the beginning of the fiscal year of adoption. As of March 31, 2018, the Company has $117.4 million of restricted cash that will be subject to changes in presentation on the statement of cash flows. The Company will adopt the new guidance on January 1, 2019.

Derecognition and Partial Sales of Nonfinancial Assets- In February 2017, the FASB issued ASU 2017-05, *Clarifying the Scope of Asset Derecognition and Accounting for Partial Sales of Nonfinancial Assets*, which clarifies the scope and application of ASC 610-20, *Other Income-Gains and Losses from Derecognition of Nonfinancial Assets*, and defines in substance nonfinancial assets. ASC 610-20 applies to derecognition of all nonfinancial assets which are not contracts with customers or revenue transactions under ASC 606, *Revenue from Contracts with Customers*. Derecognition of a business is governed by ASC 810, *Consolidation*, while derecognition of financial assets, including equity method investments, even if the investee holds predominantly nonfinancial assets, is governed by ASC 860, *Transfers and Servicing*. The ASU also aligns the accounting for partial sales of nonfinancial assets to be more consistent with accounting for sale of a business. Specifically, in a partial sale to a noncustomer, when a noncontrolling interest is received or retained, the latter is considered a noncash consideration and measured at fair value in accordance with ASC 606, which would result in full gain or loss recognized upon sale. This ASU removes guidance on partial exchanges of nonfinancial assets in ASC 845, *Nonmonetary Transactions*, and eliminates the real estate sales guidance in ASC 360-20, *Property, Plant and Equipment-Real Estate Sales*. ASU 2017-05 has the same effective date as the new revenue guidance, which is January 1, 2018 for public companies that are not EGCs and January 1, 2019 for private companies and public companies that are EGCs, with early adoption permitted beginning January 1, 2017. Both ASC 606 and ASC 610-20 must be adopted concurrently. While the transition method is similar to the new revenue guidance, either full retrospective or modified retrospective, the transition approach applied need not be aligned between both standards.

The Company will adopt the new guidance on January 1, 2019 using the modified retrospective approach, consistent with the adoption of the new revenue standard. Under the new standard, if a partial interest in real estate is sold to noncustomers or contributed to unconsolidated ventures, and a noncontrolling interest in the asset is retained, such transactions could result in a larger gain on sale. The adoption of this standard could have a material impact to the results of operations in a period that a significant partial interest in real estate is sold. There were no such sales in the three months ended March 31, 2018.

3. Business Combinations

The Combination

On the Closing Date, the Combination of the CLNS Contributed Portfolio, NorthStar I and NorthStar II was completed, creating CLNC.

In consideration for the contribution of the CLNS Contributed Portfolio, CLNS OP received approximately 44.4 million shares of the Company's Class B-3 common stock (the "CLNC B-3 Common Stock") and a subsidiary of CLNS OP received approximately 3.1 million common membership units in the OP ("CLNC OP Units"). The CLNC B-3 Common Stock will automatically convert to Class A common stock of the Company on a one-for-one basis upon the close of trading on February 1, 2019. The CLNC OP

Units are redeemable for cash, or at the Company's election, the Company's Class A common stock on a one-for-one basis, in the sole discretion of the Company. Subject to certain limited exceptions, CLNS OP has agreed that it and its affiliates will not make any transfers of the CLNC OP Units to non-affiliates of CLNS OP until the one year anniversary of the closing of the Combination, unless such transfer is approved by a majority of the Company's board of directors, including a majority of the independent directors. In connection with the merger of NorthStar I and NorthStar II into the Company, their respective stockholders received shares of the Company's Class A common stock based on pre-determined exchange ratios. Following the foregoing transaction, the Company contributed the CLNS Contributed Portfolio and the operating partnerships of NorthStar I and NorthStar II to the OP in exchange for ownership interests in the OP. Upon the closing of the Combination, CLNS OP and its affiliates, NorthStar I stockholders and NorthStar II stockholders each owned approximately 37%, 32% and 31%, respectively, of the Company on a fully diluted basis.

Prior to the closing of the Combination, a special dividend was declared by NorthStar I, which generated the lesser amount of cash leakage, in order to true up the agreed contribution values of NorthStar I and NorthStar II in relation to each other. In addition, following the CLNS Contributions, but prior to the effective time of the Combination, there was a cash settlement between the Company and Colony NorthStar for the difference between (i) the sum of (a) the loss in value of NorthStar I and NorthStar II as a result of the distributions made by NorthStar I and NorthStar II in excess of FFO (as such term is defined in the Combination Agreement) from July 1, 2017 through the day immediately preceding the Closing Date (excluding the dividend payment made by each of NorthStar I and NorthStar II on July 1, 2017), (b) FFO for the CLNS Investment Entities from July 1, 2017 through the day immediately preceding the closing date, (c) cash contributions or contributions of certain intercompany receivables made to the CLNS Investment Entities from July 1, 2017 through the day immediately preceding the Closing Date, and (d) the expected present value of certain unreimbursed operating expenses of NorthStar I and NorthStar II paid on each company's behalf by their respective advisors, and (ii) cash distributions made by the CLNS Investment Entities from July 1, 2017 through the

day immediately preceding the Closing Date, excluding that certain distribution made by the CLNS Investment Entities in July 2017 relating to the partial repayment of a certain investment (collectively, "CLNS true-up adjustment"). The settlement of the CLNS true-up adjustment resulted in a payment of approximately $55 million from Colony NorthStar to the Company.

The Combination is accounted under the acquisition method for business combinations with the CLNS Investment Entities as the accounting acquirer for purposes of the financial information set forth herein. Refer to Note 2, "Summary of Significant Accounting Policies" for further discussion on the accounting treatment of the Combination.

Combination Consideration

Each share of NorthStar I and NorthStar II common stock issued and outstanding immediately prior to the effective time of the Combination was converted into the right to receive 0.3532 shares (the "NorthStar I Exchange Ratio") and 0.3511 shares (the "NorthStar II Exchange Ratio"), respectively of the Company's Class A common stock, plus cash in lieu of fractional shares. Approximately 21,000 shares of NorthStar I restricted common stock and 25,000 shares of NorthStar II restricted common stock automatically vested in connection with the Combination and the holders thereof were entitled to receive the same equity exchange as the other holders of NorthStar I and NorthStar II common stock, respectively.

The Company acquired all of the common stock of NorthStar I and NorthStar II through the exchange of all such outstanding shares into shares of Class A common stock based on the pre-determined NorthStar I Exchange Ratio and NorthStar II Exchange Ratio, respectively. As the Combination was a stock-for-stock exchange (except for cash consideration for fractional shares), fair value of the consideration to be transferred was dependent upon the fair value of the Company at the Closing Date of the Combination.

Fair value of the merger consideration was determined as follows (dollars in thousands, except exchange ratio and price per share):

	NorthStar I	NorthStar II	Total
Outstanding shares of common stock at January 31, 2018 [1]	119,333	114,943	
Exchange ratio [2]	0.3532	0.3511	
Shares of Class A common stock issued in the mergers [3]	42,149	40,356	82,505
Fair value consideration per share [4]	$ 24.50	$ 24.50	$ 24.50
Fair value of NorthStar I and NorthStar II consideration	$ 1,032,651	$ 988,722	$ 2,021,373

(1) Includes 21,000 and 25,000 shares of common stock of NorthStar I and NorthStar II equity awards, respectively, that vested in connection with the consummation of the Combination.
(2) Represents the pre-determined exchange ratio of 0.3532 NorthStar I shares and 0.3511 NorthStar II shares per one share of the Company's Class A common stock.
(3) Includes the issuance of fractional shares, aggregating to approximately 21,000 shares, for which holders received cash in lieu of the fractional shares.
(4) Represents the estimated per share fair value of the Company at the Closing Date of the Combination.

The following table presents a preliminary allocation of the Combination consideration to assets acquired, liabilities assumed and noncontrolling interests of NorthStar I and NorthStar II based on their respective estimated fair values as of the Closing Date.

The estimated fair values and allocation of the Combination consideration presented below are preliminary and based on information available as of the Closing Date as the Company continues to evaluate the underlying inputs and assumptions. Accordingly, these preliminary estimates may be subject to adjustments during the measurement period, not to exceed one year, based upon new information obtained about facts and circumstances that existed as of the Closing Date. Preliminary fair values assigned to the assets acquired, liabilities assumed and noncontrolling interests of NorthStar I and NorthStar II as of the Closing Date were as follows (dollars in thousands):

	January 31, 2018		
	NorthStar I	NorthStar II	Total
Merger consideration	$ 1,032,651	$ 988,722	$ 2,021,373
Allocation of merger consideration:			
Assets acquired			
Cash and cash equivalents	$ 130,197	$ 51,360	$ 181,557
Restricted cash	30,564	61,313	91,877
Loans held for investment	521,462	728,271	1,249,733
Real estate securities, available for sale, at fair value	100,731	64,793	165,524
Real estate, net	790,996	492,317	1,283,313
Investments in unconsolidated ventures	67,899	375,694	443,593
Receivables, net	12,363	11,479	23,842
Deferred leasing costs and intangible assets, net	74,243	37,090	111,333
Other assets	16,407	21,668	38,075
Mortgage loans held in securitization trusts, at fair value	1,894,404	1,432,795	3,327,199
Total assets acquired	3,639,266	3,276,780	6,916,046
Liabilities assumed			
Securitization bonds payable, net	—	80,825	80,825
Mortgage and other notes payable, net	399,131	382,485	781,616
Credit facilities	293,340	355,529	648,869
Due to related party	4,533	1,842	6,375
Accrued and other liabilities	21,640	18,219	39,859
Intangible liabilities, net	17,931	1,808	19,739
Escrow deposits payable	12,994	36,362	49,356
Mortgage obligations issued by securitization trusts, at fair value	1,784,223	1,401,491	3,185,714
Total liabilities assumed	2,533,792	2,278,561	4,812,353
Noncontrolling interests	72,823	9,497	82,320
Fair value of net assets acquired	$ 1,032,651	$ 988,722	$ 2,021,373

Fair value of other assets acquired, liabilities assumed and noncontrolling interests were estimated as follows:

Real Estate and Related Intangibles—Fair value is based on the income approach which includes a direct capitalization method with overall capitalization rates ranging between 6.5% and 8.3%. Real estate fair value was allocated to tangible assets such as land, building and leaseholds, tenant and land improvements as well as identified intangible assets and liabilities such as above- and below-market leases, and in-place lease value. Useful lives of the intangibles acquired range from 1 year to 10 years.

Loans held for investment—Fair value is determined by comparing the current yield to the estimated yield for newly originated loans with similar credit risk or the market yield at which a third party might expect to purchase such investment; or based on discounted cash flow projections of principal and interest expected to be collected, which include consideration of borrower or sponsor credit, as well as operating results of the underlying collateral. For certain loans held for investment, NorthStar II has a contractual right to equity-like participation or other ownership interests in the underlying collateral which was considered in calculating the fair value of the loans held for investment.

Investments in Unconsolidated Ventures—Fair value is based on timing and amount of expected future cash flows for income as well as realization events of the underlying assets of the investees. Investments in unconsolidated ventures includes a preferred

equity investment accounted for as an ADC arrangement, as well as an investment in a joint venture which holds a mezzanine loan. The fair value for both investments was based on the outstanding principal value plus the undiscounted value of any applicable contractual exit fees associated with the investments. The ADC arrangement has an equity-like participation which was considered in its fair value. The capitalization rate used was 6.8%.

Securities—Fair value is based on quotations from brokers or financial institutions that act as underwriters of the debt securities, third-party pricing service or discounted cash flows depending on the type of debt securities.

Debt—The fair value of debt was determined by either comparing the contractual interest rate to the interest rate for newly originated debt with similar credit risk or the market rate at which a third party might expect to assume such debt or based on discounted cash flow ("DCF") projections of principal and interest expected to be collected, which include consideration of borrower or sponsor credit, as well as operating results of the underlying collateral. All of the debt was priced consistent with current interest rates attainable for similarly situated investments, and therefore was attributed a value equal to each debt's outstanding principal amount less any applicable premium or discount on the secured debt.

Noncontrolling Interests—NorthStar I's noncontrolling interests are attributable to the minority ownership interests of its operating partners in its CRE properties. The estimated value of NorthStar I's noncontrolling interests represents the minority owner's pro rata share of the estimated net book value of the CRE properties, as determined in accordance with the above description of the valuation process for real estate and related intangibles. NorthStar II's noncontrolling interest is attributable to the minority ownership interest of its operating partner in its Bothell, Washington office portfolio. The estimated value of NorthStar II's noncontrolling interest represents the operating partner's pro rata share of the estimated net book value of the portfolio, as determined in accordance with the above description of the valuation process for real estate and related intangibles. The major classes of intangible assets and liabilities include leasing commissions, above- and below-market lease values and in-place lease values.

Results of NorthStar I and NorthStar II

For the three months ended March 31, 2018, the Company's results of operations included contributions from the acquired business of NorthStar I and NorthStar II as follows (dollars in thousands):

	February 1, 2018 to March 31, 2018		
	NorthStar I	NorthStar II	Total
Total revenues	$ 37,312	$ 39,207	$ 76,519
Net income (loss) attributable to common stockholders	(2,175)	8,626	6,451

Combination-Related Costs

Transaction costs of $30.2 million were incurred in connection with the Combination in the three months ended March 31, 2018, consisting largely of professional fees for legal, financial advisory, accounting and consulting services. Approximately $24.3 million of the transaction costs represent fees paid to investment bankers that were contingent upon consummation of the Combination.

Additionally, the Company also incurred $5.9 million of other Combination-related costs during the three months ended March 31, 2018.

Combination-related costs are expensed as incurred and such costs expensed by NorthStar I and NorthStar II prior to the Closing Date were excluded from the Company's results of operations.

Pro Forma Financial Information (Unaudited)

The following table presents pro forma financial information of the Company as if the Combination had been consummated on January 1, 2017. The pro forma financial information includes the pro forma impact of purchase accounting adjustments primarily related to fair value adjustments and depreciation and amortization, and excludes Combination-related expenses of $30.2 million for the three months ended March 31, 2018. The pro forma financial information, however, does not reflect any potential benefits that may result from realization of future cost savings from operating efficiencies, or other incremental synergies expected to result from the Combination.

The pro forma financial information is presented for illustrative purposes only and is not necessarily indicative of the results of operations of the Company had the Combination been completed on January 1, 2017, nor indicative of future results of operations of the Company (dollars in thousands, except per share data):

	Three Months Ended March 31,	
	2018	2017
Pro forma:		
Total revenues	$ 136,038	$ 123,426
Net income (loss) attributable to Colony NorthStar Credit Real Estate, Inc.	37,628	49,196
Net income (loss) attributable to common stockholders	35,229	39,852
Earnings (loss) per common share:		
Basic	$ 0.27	$ 0.31
Diluted	$ 0.27	$ 0.31

4. Loans Held for Investment, net

The following table provides a summary of the Company's loans held for investment, net (dollars in thousands):

	March 31, 2018 (Unaudited)				December 31, 2017			
	Unpaid Principal Balance	Carrying Value	Weighted Average Coupon	Weighted Average Maturity in Years	Unpaid Principal Balance	Carrying Value	Weighted Average Coupon	Weighted Average Maturity in Years
Non-PCI Loans								
Fixed rate								
Mortgage loans	$ 16,240	$ 16,159	10.5%	6.0	$ 471,669	$ 463,748	8.3%	2.0
Mezzanine loans	116,231	116,152	13.1%	5.1	141,931	141,828	13.2%	3.2
	132,471	132,311			613,600	605,576		
Variable rate								
Mortgage loans	$ 1,039,007	$ 1,046,581	6.6%	3.1	$ 260,366	$ 260,932	8.1%	2.3
Securitized loans[1]	497,849	501,055	6.9%	0.9	377,939	379,670	6.7%	0.3
Mezzanine loans	109,821	110,014	10.1%	3.4	34,391	34,279	9.8%	1.3
Preferred equity interests	26,488	26,774	14.2%	1.7	—	—	—	—
	1,673,165	1,684,424			672,696	674,881		
	1,805,636	1,816,735			1,286,296	1,280,457		
PCI Loans								
Mortgage loans	—	—			21,444	20,844		
Allowance for loan losses	NA	(517)			NA	(517)		
Loans held for investment, net	$ 1,805,636	$ 1,816,218			$ 1,307,740	$ 1,300,784		

(1) Represents loans transferred into securitization trusts that are consolidated by the Company.

Activity relating to the Company's loans held for investments, net was as follows (dollars in thousands):

	Carrying Value
Balance at January 1, 2018	$ 1,300,784
Loans held for investment acquired in the Combination (refer to Note 3)	1,249,733
Deconsolidation of investment entities[1]	(553,678)
Acquisitions/originations/additional funding	5,059
Loan maturities/principal repayments	(136,913)
Combination adjustment[2]	(50,314)
Discount accretion/premium amortization	1,017
Capitalized interest	530
Balance at March 31, 2018	$ 1,816,218

(1) Represents loans held for investment, net which were deconsolidated as a result of the Combination. Refer to Note 2, "Summary of Significant Accounting Policies," for further detail.
(2) Represents a loan held for investment, net that was previously sold by the CLNS Investment Entities to NorthStar I and was treated as a secured financing by the CLNS Investment Entities. This loan was eliminated as a result of the Combination.

Nonaccrual and Past Due Loans

Non-PCI loans that are 90 days or more past due as to principal or interest, or where reasonable doubt exists as to timely collection, are generally considered nonperforming and placed on nonaccrual status.

In March 2018, the borrower on the Company's $260.2 million NY hospitality loan failed to make its interest payment. The Company has placed the loan on non-accrual status and has commenced discussions with the borrower to resolve the matter. No provision for loan loss was recorded during the three months ended March 31, 2018 as the Company believes sufficient collateral value exists to cover the outstanding loan balances. These discussions typically include numerous points of negotiation as the Company and the borrower work towards a settlement or other alternative resolution, which can impact the potential for loan repayment or receipt of collateral.

The following table provides an aging summary of non-PCI loans held for investment at carrying values before allowance for loan losses (dollars in thousands):

	Current or Less Than 30 Days Past Due	30-59 Days Past Due	60-89 Days Past Due	90 Days or More Past Due / Nonaccrual [1]	Total Non-PCI Loans
March 31, 2018 (Unaudited)	$ 1,384,599	$ —	$ —	$ 432,136	$ 1,816,735
December 31, 2017	1,101,522	144,241	7,929	26,765	1,280,457

(1) Loans held for investment with a total carrying value of $42.2 million which were 90 days or more past due repaid in full subsequent to March 31, 2018.

Troubled Debt Restructuring

At March 31, 2018 and December 31, 2017, there was one mezzanine loan previously modified in a TDR with carrying value before allowance for loan losses of $28.6 million. The loan had been modified in 2015. The Company also has three other loans with a combined carrying value of $108.5 million that are cross-defaulted with the TDR loan to the same borrower. Two loans matured in November 2017 and were in default at both March 31, 2018 and December 31, 2017, while the third loan remains current. All four loans are collateralized with 27 office, retail, multifamily and industrial properties with an estimated aggregate fair value of approximately $137.1 million. In February 2018, the borrower and the Company entered into a forebearance agreement to allow both parties to review the exit strategy for a period through the end of May 2018, which may be extended at the Company's option for an additional 90 day period. No provision for loan loss was made at March 31, 2018 or December 31, 2017 on the two defaulted loans as the Company believes there is sufficient collateral value to cover the outstanding loan balances in aggregate. The Company has no additional commitments to lend to the borrower with the TDR loan.

There were no loans modified as TDRs during the three months ended March 31, 2018 and year ended December 31, 2017.

Non-PCI Impaired Loans

Non-PCI loans are identified as impaired when it is no longer probable that interest or principal will be collected according to the contractual terms of the original loan agreement. Non-PCI impaired loans include predominantly loans under nonaccrual, performing and nonperforming TDRs. The following table presents non-PCI impaired loans at the respective reporting dates (dollars in thousands):

		Gross Carrying Value			
	Unpaid Principal Balance	With Allowance for Loan Losses	Without Allowance for Loan Losses	Total	Allowance for Loan Losses
March 31, 2018 (Unaudited)	$ 430,053	$ 42,176	$ 389,960	$ 432,136	$ 517
December 31, 2017	215,997	42,176	175,090	217,266	517

The average carrying value and interest income recognized on non-PCI impaired loans were as follows (dollars in thousands):

	Three Months Ended March 31,	
	2018	2017
Average carrying value before allowance for loan losses	$ 385,067	$ 40,066
Interest income	3,758	756

Purchased Credit-Impaired Loans

PCI loans are acquired loans with evidence of credit quality deterioration for which it is probable at acquisition that the Company will collect less than the contractually required payments.

Changes in accretable yield of PCI loans were as follows (dollars in thousands):

	Three Months Ended March 31,	
	2018	2017
Beginning accretable yield	$ 726	$ 5,929
Changes in accretable yield[(1)]	(605)	(572)
Accretion recognized in earnings	(121)	(1,522)
Ending accretable yield	$ —	$ 3,835

(1) Change in accretable yield during the three months ended March 31, 2018 is a result of the deconsolidation of certain CLNS Contributed Portfolio investments.

Allowance for Loan Losses

As of March 31, 2018 and December 31, 2017 the allowance for loan losses was $0.5 million related to $42.2 million in carrying value of non-PCI loans.

Changes in allowance for loan losses on non-PCI loans are presented below (dollars in thousands):

	Three Months Ended March 31,	
	2018	2017
Allowance for loan losses at beginning of period	$ (517)	$ (3,386)
Provision for loan losses	—	—
Charge-off	—	3,210
Allowance for loan losses at end of period	$ (517)	$ (176)

As of March 31, 2018, the weighted average maturity, including extensions, of CRE debt investments was 2.7 years.

Credit Quality Monitoring

CRE debt investments are typically loans secured by direct senior priority liens on real estate properties or by interests in entities that directly own real estate properties, which serve as the primary source of cash for the payment of principal and interest. The Company evaluates its debt investments at least quarterly and differentiates the relative credit quality principally based on: (i)

whether the borrower is currently paying contractual debt service in accordance with its contractual terms; and (ii) whether the Company believes the borrower will be able to perform under its contractual terms in the future, as well as the Company's expectations as to the ultimate recovery of principal at maturity.

As of March 31, 2018, there were seven real estate debt investments with contractual payments past due. The remaining CRE debt investments were performing in accordance with the contractual terms of their governing documents and were categorized as performing loans. There were seven real estate debt investments with contractual payments past due as of December 31, 2017. For the three months ended March 31, 2018, no debt investment contributed more than 10.0% of interest income.

Lending Commitments

The Company has lending commitments to borrowers pursuant to certain loan agreements in which the borrower may submit a request for funding contingent on achieving certain criteria, which must be approved by the Company as lender, such as leasing, performance of capital expenditures and construction in progress with an approved budget. At March 31, 2018, assuming the terms to qualify for future fundings, if any, have been met, total unfunded lending commitments was $53.6 million for mortgage loans, $12.5 million for securitized loans, and $2.2 million for preferred equity interests. Future funding commitments were $19.2 million for mortgage loans at December 31, 2017.

5. Investments in Unconsolidated Ventures

Summary

The Company's investments in unconsolidated ventures represent noncontrolling equity interests in various entities, as follows (dollars in thousands):

	March 31, 2018 (Unaudited)	December 31, 2017
Equity method investments		
Investment ventures	$ 498,973	$ 179,303
	498,973	179,303
Investments under fair value option		
Private funds	257,495	24,417
	$ 756,468	$ 203,720

Equity Method Investments

Investment Ventures

Certain of the Company's equity method investments are structured as joint ventures with one or more private funds or other investment vehicles managed by the Colony NorthStar with third party joint venture partners. These investment entities are generally capitalized through equity contributions from the members, although certain investments are leveraged through various financing arrangements.

The assets of the equity method investment entities may only be used to settle the liabilities of these entities and there is no recourse to the general credit of the Company nor the other investors for the obligations of these investment entities. Neither the Company nor the other investors are required to provide financial or other support in excess of their capital commitments. The Company's exposure to the investment entities is limited to its equity method investment balance as of March 31, 2018 and December 31, 2017, respectively.

As discussed in Note 2, "Summary of Significant Accounting Policies", certain of the CLNS Investment Entities were deconsolidated by the Company upon closing of the Combination and accounted for as investments in unconsolidated ventures. The Company's investments accounted for under the equity method are summarized below (dollars in thousands):

			Carrying Value	
Investments	**Description**	**Ownership Interest[1] at March 31, 2018**	**March 31, 2018 (Unaudited)**	**December 31, 2017**
ADC investments	Interests in eight acquisition, development and construction loans in which the Company participates in residual profits from the projects, and the risk and rewards of the arrangements are more similar to those associated with investments in joint ventures	Various[2]	$ 320,991	$ 179,303
Other investment ventures	Interests in 10 investments, each with less than $60.4 million carrying value at March 31, 2018	Various	177,982	—

(1) The Company's ownership interest represents capital contributed to date and may not be reflective of the Company's economic interest in the entity because of provisions in operating agreements governing various matters, such as classes of partner or member interests, allocations of profits and losses, preferential returns and guaranty of debt. Each equity method investment has been determined to be a VIE for which the Company was not deemed to be the primary beneficiary or a voting interest entity in which the Company does not have the power to control through a majority of voting interest or through other arrangements.
(2) The Company owns varying levels of stated equity interests in certain ADC investments, as well as profit participation interests in real estate ventures without a stated ownership interest in other ADC investments.

Investments under Fair Value Option

The Company elected to account for its limited partnership interests, which range from 0.1% to 30.3%, in PE Investments under the fair value option. The Company records equity in earnings for these investments based on a change in fair value of its share of projected future cash flows.

Summarized Financial Information

The combined statements of operations for the unconsolidated ventures, including PE Investments and excluding unconsolidated ventures accounted for under the cost method, for the three months ended March 31, 2018 and 2017, are as follows (dollars in thousands):

	Three Months Ended March 31,[1]	
	2018	**2017**
Total revenues	$ 19,938	$ 7,803
Net income (loss)[2]	10,107	6,937

(1) Includes summarized financial information for PE Investments on a one quarter lag, which is the most recent financial information available from the underlying funds.
(2) Includes net investment income and unrealized and realized gains and losses for PE Investments.

6. Real Estate, net

The following table presents the Company's net lease portfolio, net, as of March 31, 2018 and December 31, 2017 (dollars in thousands):

	March 31, 2018 (Unaudited)	December 31, 2017
Land and improvements	$ 102,764	$ 25,262
Buildings, building leaseholds, and improvements	575,589	178,109
Tenant improvements	8,901	2,316
Construction-in-progress	23	21
Subtotal	$ 687,277	$ 205,708
Less: Accumulated depreciation	(10,294)	(5,516)
Net lease portfolio, net	$ 676,983	$ 200,192

The following table presents the Company's other portfolio, net, as of March 31, 2018 and December 31, 2017 (dollars in thousands):

	March 31, 2018 (Unaudited)	December 31, 2017
Land and improvements	$ 134,675	$ 667
Buildings, building leaseholds, and improvements	643,527	18,477
Tenant improvements	28,641	36
Furniture, fixtures and equipment	15,526	680
Construction-in-progress	500	—
Subtotal	$ 822,869	$ 19,860
Less: Accumulated depreciation	(4,756)	(312)
Other portfolio, net	$ 818,113	$ 19,548

For the three months ended March 31, 2018, the Company had no single property with rental and other income equal to or greater than 10.0% of total revenue.

At March 31, 2018, the Company held foreclosed properties included in real estate, net with a carrying value of $19.9 million. At December 31, 2017, the Company held foreclosed properties with a carrying value of $19.5 million.

Minimum Future Rents

Minimum rental amounts due under leases are generally either subject to scheduled fixed increases or adjustments. The following table presents approximate future minimum rental income under non-cancellable operating leases to be received over the next five years and thereafter as of March 31, 2018 (dollars in thousands):

Remainder of 2018	$ 66,776
2019	83,587
2020	74,400
2021	62,095
2022	50,667
2023 and thereafter	94,018
Total	$ 431,543

The rental properties owned at March 31, 2018 are leased under non-cancellable operating leases with current expirations ranging from 2018 to 2029, with certain tenant renewal rights. For certain properties, the tenants pay the Company, in addition to the contractual base rent, their pro rata share of real estate taxes and operating expenses. Certain lease agreements provide for periodic rental increases and others provide for increases based on the consumer price index.

Commitments and Contractual Obligations

Ground Lease Obligation

In connection with real estate acquisitions, the Company assumed certain noncancelable operating ground leases as lessee or sublessee with expiration dates through 2027. Rents on certain ground leases are paid directly by the tenants. Ground rent expense for the three months ended March 31, 2018 and 2017 was approximately $0.7 million and de minimis, respectively.

At March 31, 2018, future minimum rental payments, excluding contingent rents, on noncancelable ground leases on real estate were as follows (dollars in thousands):

Remainder of 2018	$	2,115
2019		2,821
2020		2,812
2021		2,720
2022		1,798
2023 and thereafter		2,891
Total	$	15,157

7. Real Estate Securities, Available for Sale

Investments in CRE Securities

CRE securities are comprised of CMBS backed by a pool of CRE loans which are typically well-diversified by type and geography. The following table presents CMBS investments as of March 31, 2018 (dollars in thousands):

								Weighted Average	
					Cumulative Unrealized on Investments				
As of Date:	Count	Principal Amount[1]	Total Discount	Amortized Cost	Gain	(Loss)	Fair Value	Coupon[3]	Unleveraged Current Yield
March 31, 2018[2]	32	$ 234,357	$ (56,315)	$ 178,042	$ 432	$ (2,280)	$ 176,194	3.15%	7.36%

(1) Certain CRE securities serve as collateral for financing transactions including carrying value of $139.6 million for the CMBS Credit Facilities (refer to Note 10). The remainder is unleveraged.
(2) Includes a CRE security with an underlying loan that was non-performing at acquisition. The CRE security was acquired from NorthStar II for $31.3 million, net of a $16.9 million discount. As of March 31, 2018, the non-accretable amount of total cash flows was $4.9 million.
(3) All CMBS are fixed rate.

The Company acquired the CRE Securities from NorthStar I and NorthStar II in the Combination. The Company held no CRE Securities as of December 31, 2017.

The Company recorded an unrealized loss in OCI for the three months ended March 31, 2018 of $1.8 million. As of March 31, 2018, the Company held 25 securities with an aggregate carrying value of $138.2 million with an unrealized loss of $2.3 million. Based on management's quarterly evaluation, no OTTI was identified related to these securities. The Company does not intend to sell these securities and it is more likely than not that the Company will not be required to sell these securities prior to recovery of its amortized cost basis, which may be at maturity.

As of March 31, 2018, the weighted average contractual maturity of CRE securities was 29.9 years with an expected maturity of 7.9 years.

Investments in Investing VIEs

The Company is the directing certificate holder of three securitization trusts and has the ability to appoint and replace the special servicer on all mortgage loans. As such, U.S. GAAP requires the Company to consolidate the assets, liabilities, income and expenses of the securitization trusts as Investing VIEs. Refer to Note 2, "Summary of Significant Accounting Policies" for further discussion on Investing VIEs.

Other than the securities represented by the Company's subordinate tranches of the securitization trusts, the Company does not have any claim to the assets or exposure to the liabilities of the securitization trusts. The original issuers, who are unrelated third parties, guarantee the interest and principal payments related to the investment grade securitization bonds in the securitization

trusts, therefore these obligations do not have any recourse to the general credit of the Company as the consolidator of the securitization trusts. The Company's maximum exposure to loss would not exceed the carrying value of its retained investments in the securitization trusts, or the subordinate tranches of the securitization trusts.

As of March 31, 2018, the mortgage loans and the related mortgage obligations held in the securitization trusts had an unpaid principal balance of $3.1 billion and $2.9 billion, respectively. As of March 31, 2018, across the three consolidated securitization trusts, the underlying collateral consisted of 159 underlying mortgage loans, with a weighted average coupon of 4.9% and a weighted average loan to value ratio of 58.0%.

The following table presents the assets and liabilities recorded on the consolidated balance sheets attributable to the securitization trust as of March 31, 2018 (dollars in thousands):

	March 31, 2018
Assets	
Mortgage loans held in a securitization trust, at fair value	$ 3,193,298
Receivables, net	13,337
Total assets	$ 3,206,635
Liabilities	
Mortgage obligations issued by a securitization trust, at fair value	$ 3,051,315
Accrued and other liabilities	12,490
Total liabilities	$ 3,063,805

The Company elected the fair value option to measure the assets and liabilities of the securitization trusts, which requires that changes in valuations of the securitization trusts be reflected in the Company's consolidated statements of operations.

The difference between the carrying values of the mortgage loans held in securitization trusts and the carrying value of the mortgage obligations issued by securitization trusts was $142.0 million as of March 31, 2018 and approximates the fair value of the Company's underlying investments in the subordinate tranches of the securitization trusts, which are eliminated in consolidation. Refer to Note 15, "Fair Value" for a description of the valuation techniques used to measure fair value of assets and liabilities of the Investing VIEs.

The following table presents the activity recorded for the three months ended March 31, 2018 related to the consolidated securitization trusts on the consolidated statement of operations. Approximately $2.2 million for the three months ended March 31, 2018, relates to net income attributable to the Company's common stockholders generated from the Company's investments in the subordinate tranches of the securitization trusts (dollars in thousands):

	Three Months Ended March 31, 2018
Statement of Operations	
Interest income on mortgage loans held in securitization trusts	$ 25,865
Interest expense on mortgage obligations issued by securitization trusts	(24,277)
Net interest income	1,588
Administrative expenses	99
Unrealized gain (loss) on mortgage loans and obligations held in securitization trusts, net	497
Net income attributable to Colony NorthStar Credit Real Estate, Inc. common stockholders	$ 2,184

8. Deferred Leasing Costs and Other Intangibles

The Company's deferred leasing costs, other intangible assets and intangible liabilities at March 31, 2018 and December 31, 2017 are as follows (dollars in thousands):

	March 31, 2018 (Unaudited)		
	Carrying Amount	Accumulated Amortization	Net Carrying Amount
Deferred Leasing Costs and Intangible Assets			
In-place lease values	$ 77,303	$ (11,203)	$ 66,100
Above-market lease values	20,027	(1,190)	18,837
Below-market ground lease obligations	52	(10)	42
Deferred leasing costs	29,940	(1,680)	28,260
	$ 127,322	$ (14,083)	$ 113,239
Intangible Liabilities			
Below-market lease values	$ 20,453	$ (816)	$ 19,637

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	December 31, 2017		
	Carrying Amount	Accumulated Amortization	Net Carrying Amount
Deferred Leasing Costs and Intangible Assets			
In-place lease values	$ 9,214	$ (2,657)	$ 6,557
Above-market lease values	1,682	(283)	1,399
Below-market ground lease obligations	52	(8)	44
Deferred leasing costs	3,671	(657)	3,014
	$ 14,619	$ (3,605)	$ 11,014
Intangible Liabilities			
Below-market lease values	$ 51	$ (15)	$ 36

The following table summarizes the amortization of deferred leasing costs, intangible assets and intangible liabilities for the three months ended March 31, 2018 and 2017 (dollars in thousands):

	Three Months Ended March 31,	
	2018	2017
Above-market lease values	$ (907)	$ (65)
Below-market lease values	801	3
Net decrease to rental income	$ (106)	$ (62)
Below-market ground lease obligations	$ 2	$ 2
Increase to ground rent expense	$ 2	$ 2
In-place lease values	$ 8,546	$ 812
Deferred leasing costs	1,023	160
Amortization expense	$ 9,569	$ 972

The following table presents the amortization of deferred leasing costs, intangible assets and intangible liabilities for each of the next five years and thereafter as of March 31, 2018 (dollars in thousands):

	Remainder of 2018	2019	2020	2021	2022	2023 and thereafter	Total
Above-market lease values	$ 3,386	$ 4,317	$ 3,252	$ 2,340	$ 1,841	$ 3,701	$ 18,837
Below-market lease values	(3,467)	(4,566)	(2,527)	(1,895)	(1,732)	(5,450)	(19,637)
Decrease to rental income	$ (81)	$ (249)	$ 725	$ 445	$ 109	$ (1,749)	$ (800)
Below-market ground lease obligations	$ 6	$ 8	$ 8	$ 8	$ 8	$ 4	$ 42
Increase to property operating expense	$ 6	$ 8	$ 8	$ 8	$ 8	$ 4	$ 42
In-place lease values	$ 18,374	$ 16,048	$ 10,565	$ 7,256	$ 5,485	$ 8,372	$ 66,100
Deferred leasing costs	5,285	6,248	4,958	3,763	2,895	5,111	28,260
Amortization expense	$ 23,659	$ 22,296	$ 15,523	$ 11,019	$ 8,380	$ 13,483	$ 94,360

9. Other Assets and Liabilities

The following table presents a summary of other assets as of March 31, 2018 and December 31, 2017 (dollars in thousands):

	March 31, 2018 (Unaudited)	December 31, 2017
Other assets:		
Prepaid taxes and deferred tax assets	$ 49,484	$ 1,050
Deferred financing costs, net - credit facilities	3,930	—
Prepaid expenses	3,556	360
Derivative asset	28	117
Total	$ 56,998	$ 1,527

The following table presents a summary of accrued and other liabilities as of March 31, 2018 and December 31, 2017 (dollars in thousands):

	March 31, 2018 (Unaudited)	December 31, 2017
Accrued and other liabilities:		
Accounts payable, accrued expenses and other liabilities	$ 21,286	$ 3,532
Interest payable	17,070	924
Prepaid rent and unearned revenue	6,164	481
Tenant security deposits	3,132	118
Current and deferred tax liability	1,020	120
Derivative liability	1,224	—
Total	$ 49,896	$ 5,175

10. Debt

The following table presents debt as of March 31, 2018 and December 31, 2017 (dollars in thousands):

	Capacity ($)	Recourse vs. Non-Recourse[1]	Final Maturity	Contractual Interest Rate	March 31, 2018 (Unaudited) Principal Amount[2]	March 31, 2018 (Unaudited) Carrying Value[2]	December 31, 2017 Principal Amount[2]	December 31, 2017 Carrying Value[2]
Bank credit facility								
Bank credit facility	$ 400,000	Recourse	Feb-23[3]	LIBOR + 2.25%	$ —	$ —	$ —	$ —
Securitization bonds payable, net								

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	Capacity ($)	Recourse vs. Non-Recourse[1]	Final Maturity	Contractual Interest Rate	March 31, 2018 (Unaudited) Principal Amount[2]	March 31, 2018 (Unaudited) Carrying Value[2]	December 31, 2017 Principal Amount[2]	December 31, 2017 Carrying Value[2]
2014 FL1[4]		Non-recourse	Apr-31	LIBOR + 3.24%	27,119	27,119	27,119	27,004
2014 FL2[4]		Non-recourse	Nov-31	LIBOR + 3.65%	47,580	47,560	55,430	55,430
2015 FL3[4][5]		Non-recourse	Sep-32	LIBOR + 4.50%	16,621	16,609	26,245	26,245
Securitization 2016-1		Non-recourse	Sep-31	LIBOR + 2.74%	80,825	80,825	—	—
Subtotal securitization bonds payable, net					172,145	172,113	108,794	108,679
Mortgage and other notes payable, net								
Net lease 1		Non-recourse	Oct-27	4.45%	24,955	24,955	25,074	25,022
Net lease 2		Non-recourse	Nov-26	4.45%	3,529	3,413	3,544	3,425
Net lease 3		Non-recourse	Nov-26	4.45%	7,615	7,364	7,647	7,390
Net lease 4		Non-recourse	Jun-21	4.00%	13,057	12,877	13,133	12,939
Net lease 5		Non-recourse	Jul-23	LIBOR + 2.15%	2,383	2,320	2,482	2,416
Net lease 6		Non-recourse	Aug-26	4.08%	32,600	32,245	32,600	32,234
Net lease 7[6]		Non-recourse	Nov-26	4.45%	19,158	18,529	19,241	18,593
Net lease 8		Non-recourse	Mar-28	4.38%	12,585	12,029	—	—
Net lease 9		Non-recourse	Apr-21	LIBOR + 2.20%	71,890	71,830	—	—
Net lease 10		Non-recourse	Jul-25	4.31%	250,000	246,124	—	—
Hotel development loan[7]		Non-recourse	Oct-19	LIBOR + 3.50%	—	—	130,000	128,649
Hotel A-Note[8]		Non-recourse	May-23	LIBOR + 1.60%	—	—	50,314	50,314
Multifamily 1		Non-recourse	Dec-23	4.84%	43,500	44,086	—	—
Multifamily 2		Non-recourse	Dec-23	4.94%	43,000	43,578	—	—
Multifamily 3		Non-recourse	Jan-24	5.15%	16,000	16,663		
Multifamily 4[9]		Non-recourse	Dec-20	5.27%	12,135	12,502		
Multifamily 5		Non-recourse	Nov-26	3.98%	24,606	23,708		
Office 1		Non-recourse	Oct-24	4.47%	108,850	109,921	—	—
Office 2		Non-recourse	Jan-25	4.30%	77,381	76,449	—	—
Office 3		Non-recourse	Apr-23	LIBOR + 3.99%	29,800	28,217	—	—
Multi-tenant office		Non-recourse	Aug-20[10]	LIBOR + 1.78%	96,143	96,797	—	—
Other notes payable		Limited recourse[11]	Dec-20[12]	LIBOR + 2.48%	40,411	40,411	—	—
Subtotal mortgage and other notes payable, net					929,598	924,018	284,035	280,982
Master repurchase facilities								
Bank 1 facility 1	$ 150,000	Limited Recourse[13]	Oct-21[14]	LIBOR + 2.35% [15]	42,840	42,840	—	—
Bank 1 facility 2	150,000	Limited Recourse[13]	Oct-19[16]	LIBOR + 2.43% [15]	48,750	48,750	—	—
Bank 2 facility 1	200,000	Limited Recourse[17]	Jul-18	NA	—	—	—	—
Bank 2 facility 2	200,000	Limited Recourse[17]	Jul-19[18]	LIBOR + 2.35% [15]	26,742	26,742	—	—
Bank 3 facility 1	200,000	Limited Recourse[19]	[20]	LIBOR + 2.37% [15]	179,994	179,994	—	—
Bank 3 facility 2	300,000	Limited Recourse[19]	[21]	LIBOR + 2.41% [15]	202,934	202,934	—	—
Subtotal master repurchase facilities	$ 1,200,000				501,260	501,260	—	—
CMBS credit facilities								
Bank 3 facility		Recourse	[22]	NA	—	—	—	—
Bank 4 facility		Recourse	[22]	NA	—	—	—	—
Bank 5 facility 2		Recourse	[22]	NA	—	—	—	—
Bank 1 facility 1		Recourse	[22]	LIBOR + 1.45% [15]	29,185	29,185	—	—
Bank 1 facility 2		Recourse	[22]	LIBOR + 1.43% [15]	10,568	10,568	—	—

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	Capacity ($)	Recourse vs. Non-Recourse[1]	Final Maturity	Contractual Interest Rate		March 31, 2018 (Unaudited) Principal Amount[2]	March 31, 2018 (Unaudited) Carrying Value[2]	December 31, 2017 Principal Amount[2]	December 31, 2017 Carrying Value[2]
Bank 5 facility 1		Recourse	(22)	LIBOR + 1.16%	(15)	2,546	2,546	—	—
Bank 6 facility 1		Recourse	(22)	LIBOR + 1.37%	(15)	23,684	23,684	—	—
Bank 6 facility 2		Recourse	(22)	LIBOR + 1.25%	(15)	35,034	35,034	—	—
Subtotal CMBS credit facilities						101,017	101,017	—	—
Subtotal master repurchase facilities						602,277	602,277	—	—
Total						$ 1,704,020	$ 1,698,408	$ 392,829	$ 389,661

(1) Subject to customary non-recourse carveouts.
(2) Difference between principal amount and carrying value of securitization bonds payable, net and mortgage and other notes payable, net is attributable to deferred financing costs, net and premium/discount on mortgage notes payable.
(3) The ability to borrow additional amounts terminates on February 1, 2022 at which time the Company may, at its election, extend the termination date for two additional six month terms.
(4) The Company, through indirect Cayman subsidiaries, securitized commercial mortgage loans originated by the Company. Senior notes issued by the securitization trusts were generally sold to third parties and subordinated notes retained by the Company. These securitizations are accounted for as secured financing with the underlying mortgage loans pledged as collateral. Principal payments from underlying collateral loans must be applied to repay the notes until fully paid off, irrespective of the contractual maturities on the notes. Underlying collateral loans have initial terms of two to three years.
(5) 2015 FL3 was repaid in full subsequent to March 31, 2018.
(6) Payment terms are periodic payment of principal and interest for debt on two properties and periodic payment of interest only with principal at maturity (except for principal repayments to release collateral properties disposed) for debt on one property.
(7) A development loan originated by the Company was restructured into a senior and junior note, with the senior note assumed by a third party lender. The Company accounted for the transfer of the senior note as a financing transaction. The senior note bears interest at one-month LIBOR plus 3.5%, with a 4.0% floor, and is subject to two one-year extension options on its initial term, exercisable by the borrower. The investment entity that held the debt was deconsolidated upon closing of the Combination (refer to Note 2, “Summary of Significant Accounting Policies”).
(8) Represents the Company’s senior participation interest in a first mortgage loan that was transferred at cost into a securitization trust with the transfer accounted for as a secured financing transaction. The Company did not retain any legal interest in the senior participation and retained the junior participation on an unleveraged basis. The secured financing transaction was eliminated as a result of the Combination (refer to Note 4, “Loans Held for Investment, net”).
(9) Represents two separate senior mortgage notes with a weighted average maturity of December 1, 2020 and weighted average interest rate of 5.27%.
(10) The initial maturity of the mortgage payable is August 2018, with a two-year extension available at the Company’s option, which may be subject to the satisfaction of certain customary conditions set forth in the governing documents.
(11) Recourse solely with respect to 25.0% of the financed amount.
(12) The initial maturity of the note payable is December 2018, with two one-year extensions available at the Company’s option, which may be subject to the satisfaction of certain customary conditions set forth in the governing documents.
(13) Recourse solely with respect to 25.0% of the repurchase price for purchased assets with a lender debt yield equal to or greater than 10.0% at the time of financing plus 100.0% of the repurchase price for purchased assets with a lender debt yield less than 10.0% at the time of financing.
(14) The next maturity date is October 2018, with three, one-year extensions available at the option of the Company, which may be exercised upon the satisfaction of certain customary conditions set forth in the governing documents.
(15) Represents the weighted average spread as of March 31, 2018. The contractual interest rate depends upon asset type and characteristics and ranges from one-month to six-month LIBOR plus 1.20% to 2.75%.
(16) The next maturity date is October 2018, with a one-year extension available, which may be subject to the satisfaction of certain customary conditions set forth in the governing documents.
(17) Recourse solely with respect to the greater of: (i) 25.0% of the financed amount of stabilized loans plus the financed amount of transitional loans, as further defined in the governing documents; or (ii) the lesser of $25.0 million or the aggregate financed amount of all loans.
(18) The Company has exercised the third of four, one-year extensions available at the Company’s option, respectively. These extensions may be subject to the satisfaction of certain customary conditions set forth in the governing documents.
(19) Recourse solely with respect to 25.0% of the financed amount.
(20) The initial maturity is October 2018. The Company may, at its option, extend the facility for one-year periods indefinitely, subject to the approval of the global financial institution.
(21) The initial maturity is June 2019. The Company may, at its option, extend the facility for one-year periods indefinitely, subject to the approval of the global financial institution.
(22) The maturity dates on the CMBS Credit Facilities are dependent upon asset type and will typically range from three to six months.

Future Minimum Principal Payments

The following table summarizes future scheduled minimum principal payments at March 31, 2018 based on current contractual maturity (dollars in thousands):

	Total	Securitization Bonds Payable, Net	Mortgage Notes Payable, Net	Credit Facilities
Remainder of 2018	$ 419,172	$ —	$ 138,161	$ 281,011
2019	280,970	—	2,544	278,426
2020	14,778	—	14,778	—
2021	159,053	—	116,213	42,840
2022	2,519	—	2,519	—
2023 and thereafter	827,528	172,145	655,383	—
Total	$ 1,704,020	$ 172,145	$ 929,598	$ 602,277

Bank Credit Facility

On February 1, 2018, the Company, through subsidiaries, entered into a credit agreement with several lenders to provide a revolving credit facility in the aggregate principal amount of up to $400.0 million (the “Bank Credit Facility”). The ability to borrow additional amounts under the Bank Credit Facility terminates on February 1, 2022, at which time the Company may, at its election, extend the termination date for two additional six month terms.

The maximum amount available for borrowing at any time under the Bank Credit Facility is limited to a borrowing base valuation of certain investment assets, with the valuation of such investment assets generally determined according to a percentage of adjusted net book value. At March 31, 2018, the borrowing base valuation was sufficient to permit borrowings up to the entire $400.0 million commitment.

Advances under the Bank Credit Facility accrue interest at a per annum rate equal to, at the Company’s election, either a LIBOR rate plus a margin of 2.25%, or a base rate determined according to a prime rate or federal funds rate plus a margin of 1.25%. At March 31, 2018, the Company had no outstanding borrowings. The Company pays a commitment fee of 0.25% or 0.35% per annum of the unused amount (0.35% at March 31, 2018), depending upon the amount of facility utilization.

Some of the Company’s subsidiaries guaranty the obligations of the Company under the Bank Credit Facility. As security for the advances under the Bank Credit Facility, the Company pledged substantially all equity interests it owns as well as a security interest in deposit accounts of the Company in which the proceeds of investment asset distributions are maintained.

The Bank Credit Facility contains various affirmative and negative covenants including financial covenants that require the Company to maintain minimum tangible net worth, liquidity levels and financial ratios, as defined in the Bank Credit Facility. At March 31, 2018, the Company was in compliance with all of the financial covenants.

Securitization Financing Transactions

Securitization bonds payable, net represent debt issued by securitization vehicles consolidated by the Company. Senior notes issued by these securitization trusts were generally sold to third parties and subordinated notes retained by the Company. Payments from underlying collateral loans must be applied to repay the notes until fully paid off, irrespective of the contractual maturities of the loans.

As of March 31, 2018, the Company had $500.7 million carrying value of CRE debt investments financed with $172.1 million of securitization bonds payable, net.

Master Repurchase Facilities

As of March 31, 2018, the Company, through subsidiaries, had entered into repurchase agreements with multiple global financial institutions to provide an aggregate principal amount of up to $1.2 billion to finance the origination of first mortgage loans and senior loan participations secured by CRE debt investments (“Master Repurchase Facilities”). The Company agreed to guarantee certain obligations under the Master Repurchase Facilities, which contain representations, warranties, covenants, conditions precedent to funding, events of default and indemnities that are customary for agreements of this type. The Master Repurchase

Facilities act as revolving loan facilities that can be paid down as assets are repaid or sold and re-drawn upon for new investments. As of March 31, 2018, the Company was in compliance with all of its financial covenants under the Master Repurchase Facilities.

As of March 31, 2018, the Company had $703.0 million carrying value of CRE debt investments financed with $501.3 million under the Term Loan Facilities.

On April 20, 2018, the Company, through subsidiaries, entered into an Amended and Restated Master Repurchase and Securities Contract Agreement ("Bank 3 Facility 3"). The Repurchase Agreement provides up to $500.0 million to finance first mortgage loans, senior loan participations and other commercial mortgage loan debt instruments secured by commercial real estate. Refer to Note 18, "Subsequent Events" for further discussion.

On April 23, 2018, the Company, through subsidiaries, entered into a Master Repurchase Agreement ("Bank 1 Facility 3"). The Repurchase Agreement provides up to $300.0 million to finance first mortgage loans, senior loan participations and other commercial mortgage loan debt instruments secured by commercial real estate. Refer to Note 18, "Subsequent Events" for further discussion.

On April 26, 2018, the Company entered into a three-year master repurchase agreement with a major financial institution through a subsidiary ("Bank 7 Facility 1"). This agreement provides up to $500.0 million to finance the Company's lending activities. Refer to Note 18, "Subsequent Events" for further discussion.

CMBS Credit Facilities

As of March 31, 2018, the Company has entered into seven master repurchase agreements (collectively the "CMBS Credit Facilities") to finance CMBS investments. The CMBS Credit Facilities are on a recourse basis and contain representations, warranties, covenants, conditions precedent to funding, events of default and indemnities that are customary for agreements of this type. As of March 31, 2018, the Company had $139.6 million carrying value of CRE securities, financed with $101.0 million under its CMBS Credit Facilities.

11. Related Party Arrangements

Management Agreement

On January 31, 2018, the Company and the OP entered into a management agreement (the "Management Agreement") with the Manager, pursuant to which the Manager manages the Company's assets and its day-to-day operations. The Manager will be responsible for, among other matters, (1) the selection, origination, acquisition, management and sale of the Company's portfolio investments, (2) the Company's financing activities and (3) providing the Company with investment advisory services. The Manager is also responsible for the Company's day-to-day operations and will perform (or will cause to be performed) such services and activities relating to the Company's investments and business and affairs as may be appropriate. The Management Agreement requires the Manager to manage the Company's business affairs in conformity with the investment guidelines and other policies that are approved and monitored by the board of directors. Each of the Company's executive officers is also an employee of the Manager or its affiliates. The Manager's role as Manager will be under the supervision and direction of the Company's board of directors.

The initial term of the Management Agreement expires on the third anniversary of the closing of the Combination and will be automatically renewed for a one-year term each anniversary date thereafter unless earlier terminated as described below. The Company's independent directors review the Manager's performance and the fees that may be payable to the Manager annually and, following the initial term, the Management Agreement may be terminated annually if there has been an affirmative vote of at least two-thirds of the Company's independent directors determining that (1) there has been unsatisfactory performance by the Manager that is materially detrimental to the Company or (2) the compensation payable to the Manager, in the form of base management fees and incentive fees taken as a whole, or the amount thereof, is not fair to the Company, subject to the Manager's right to prevent such termination due to unfair fees by accepting reduced compensation as agreed to by at least two-thirds of the Company's independent directors. The Company must provide the Manager 180 days' prior written notice of any such termination.

The Company may also terminate the Management Agreement for cause (as defined in the Management Agreement) at any time, including during the initial term, without the payment of any termination fee, with at least 30 days' prior written notice from the Company's board of directors. Unless terminated for cause, the Manager will be paid a termination fee as described below. The Manager may terminate the Management Agreement if the Company becomes required to register as an investment company under the Investment Company Act with such termination deemed to occur immediately before such event, in which case the Company would not be required to pay a termination fee. The Manager may decline to renew the Management Agreement by providing the Company with 180 days' prior written notice, in which case the Company would not be required to pay a termination fee. The

Manager may also terminate the Management Agreement with at least 60 days' prior written notice if the Company breaches the Management Agreement in any material respect or otherwise is unable to perform its obligations thereunder and the breach continues for a period of 30 days after written notice to the Company, in which case the Manager will be paid a termination fee as described below.

Fees to Manager

Base Management Fee

The base management fee payable to the Manager is equal to 1.5% of the Company's stockholders' equity (as defined in the Management Agreement), per annum (0.375% per quarter), payable quarterly in arrears in cash. For purposes of calculating the base management fee, the Company's stockholders' equity means: (a) the sum of (1) the net proceeds received by the Company (or, without duplication, the Company's direct subsidiaries, such as the OP) from all issuances of the Company's or such subsidiaries' common and preferred equity securities since inception (allocated on a pro rata basis for such issuances during the calendar quarter of any such issuance), plus (2) the Company's cumulative core earnings (as defined in the Management Agreement) from and

after the closing date of the Combination to the end of the most recently completed calendar quarter, less (b)(1) any distributions to the Company's common stockholders (or owners of common equity of the Company's direct subsidiaries, such as the OP, other than the Company or any of such subsidiaries), (2) any amount that the Company or any of the Company's direct subsidiaries, such as the OP, have paid to (x) repurchase for cash the Company's common stock or common equity securities of such subsidiaries or (y) repurchase or redeem for cash the Company's preferred equity securities or preferred equity securities of such subsidiaries, in each case since the closing date of the Combination and (3) any incentive fee (as described below) paid to the Manager since the closing date of the Combination.

Incentive Fee

The incentive fee payable to the Manager is equal to the difference between (i) the product of (a) 20% and (b) the difference between (1) core earnings (as defined in the Management Agreement) for the most recent 12-month period (or the Closing Date if it has been less than 12 months since the Closing Date), including the current quarter, and (2) the product of (A) common equity (as defined in the Management Agreement) in the most recent 12-month period (or the Closing Date if it has been less than 12 months since the Closing Date), and (B) 7% per annum and (ii) the sum of any incentive fee paid to the Manager with respect to the first three calendar quarters of the most recent 12-month period (or the Closing Date if it has been less than 12 months since the Closing Date), provided, however, that no incentive fee is payable with respect to any calendar quarter unless core earnings (as defined in the Management Agreement) is greater than zero for the most recently completed 12 calendar quarters (or the Closing Date if it has been less than 12 calendar quarters since the Closing Date**).**

The Company did not incur any incentive fees during the three months ended March 31, 2018.

Reimbursements of Expenses

Reimbursement of expenses related to the Company incurred by the Manager, including legal, accounting, financial, due diligence and other services are paid on the Company's behalf by the OP or its designee(s). The Company reimburses the Manager for the Company's allocable share of the salaries and other compensation of the Company's chief financial officer and certain of its affiliates' non-investment personnel who spend all or a portion of their time managing the Company's affairs, and the Company's share of such costs are based upon the percentage of such time devoted by personnel of our Manager (or its affiliates) to the Company's affairs. The Company may be required to pay the Company's pro rata portion of rent, telephone, utilities, office furniture, equipment, machinery and other office, internal and overhead expenses of the Manager and its affiliates required for the Company's operations.

Other Payables to Manager

Other payables to Manager include Combination related adjustments that consist of certain cash contributions from and distributions to Colony NorthStar or its subsidiaries on behalf of the CLNS Contributed Portfolio.

Manager Equity Plan

In March 2018, the Company granted 978,946 shares to its non-independent directors, officers and Manager and/or employees thereof under the 2018 Equity Incentive Plan (the "2018 Plan"). In connection with this grant, the Company recognized share-based compensation expense of $0.3 million to its Manager within administrative expense in the consolidated statement of operations for the three months ended March 31, 2018. See Note 12, "Equity-Based Compensation" for further discussion of the 2018 Plan.

Summary of Fees and Reimbursements

The following table presents the fees and reimbursements incurred and payable to the Manager for the three months ended March 31, 2018 and the amount due to related party as of March 31, 2018 and December 31, 2017 (dollars in thousands):

Type of Fee or Reimbursement	Financial Statement Location	Due to Related Party as of December 31, 2017	Three Months Ended March 31, 2018			Due to Related Party as of March 31, 2018 (Unaudited)
			Combination Related Consideration	Incurred	Paid	
Fees to Manager						
Management	Fee expense	$ —	$ —	$ 8,000	$ —	$ 8,000
Reimbursements to Manager						
Operating costs	Administrative expense	—	—	1,715	—	1,715
Other						
Other Payables to Manager	Additional paid-in capital	—	2,934	—	—	2,934
Liabilities assumed in the Combination	(1)	—	6,375	—	(6,375)	—
Total		$ —	$ 9,309	$ 9,715	$ (6,375)	$ 12,649

(1) Represents due to related party balance assumed as a result of the Combination. Refer to Note 3, “Business Combinations,” for further detail.

Expense Allocations

For the three months ended March 31, 2017, the Company’s consolidated financial statements present the operations of the CLNS Investment Entities as carved out from the financial statements of Colony NorthStar. Certain general and administrative costs borne by Colony NorthStar, including, but not limited to, compensation and benefits, and corporate overhead, have been allocated to the CLNS Investment Entities using reasonable allocation methodologies. Such costs do not necessarily reflect what the actual general and administrative costs would have been if the CLNS Investment Entities had been operating as a separate stand-alone public company. For the three months ended March 31, 2017, a total of $3.0 million of allocated expenses are included as a component of administrative expenses in the Company’s consolidated statements of operations.

Investment Activity

In November 2016, NorthStar II entered into a $284.2 million securitization financing transaction (“Securitization 2016-1”). Securitization 2016-1 was collateralized by a pool of 10 CRE debt investments with a committed aggregate principal balance of $254.7 million primarily originated by NorthStar II and three senior participations with a committed aggregate principal balance of $29.5 million originated by NorthStar I. An affiliate of the Manager was appointed special servicer of Securitization 2016-1. The transaction was approved by the NorthStar II’s board of directors, including all of its independent directors. Securitization 2016-1 was assumed by the Company in connection with the Combination.

In July 2017, NorthStar II entered into a joint venture with an affiliate of the Manager to make a $60.0 million investment in a $180.0 million mezzanine loan which was originated by such affiliate of the Manager. The transaction was approved by NorthStar II’s board of directors, including all of its independent directors. The investment was purchased by the Company in connection with the Combination. The Company’s interest in the joint venture is 50.0% and its interest in the underlying mezzanine loan is 33.3%. The Company’s total commitment is $60.0 million.

12. Equity-Based Compensation

On January 29, 2018 the Company’s board of directors adopted the 2018 Plan. The 2018 Plan permits the grant awards with respect to 4.0 million shares of the Class A common stock, subject to adjustment pursuant to the terms of the 2018 Plan. Awards may be granted under the 2018 Plan to (x) the Manager or any employee, officer, director, consultant or advisor (who is a natural person) providing services to the Company, the Manager or their affiliates and (y) any other individual whose participation in the 2018 Plan is determined to be in the best interests of the Company. The following types of awards may be made under the 2018 Plan, subject to the limitations set forth in the plan: (i) stock options (which may be either incentive stock options or non-qualified stock options); (ii) stock appreciation rights (“SARs”); (iii) restricted stock awards; (iii) stock units; (iv) unrestricted stock awards; (v) dividend equivalent rights; (vi) performance awards; (vii) annual cash incentive awards; (viii) long-term incentive units; and (ix) other equity-based awards.

Shares subject to an award granted under the 2018 Plan will be counted against the maximum number of shares of Class A common stock available for issuance thereunder as one share of Class A common stock for every one share of Class A common stock subject to such an award. Shares subject to an award granted under the 2018 Plan will again become available for issuance under the 2018 Plan if the award terminates by expiration, forfeiture, cancellation, or otherwise without the issuance of such shares (except as set forth in the following sentence). The number of shares of Class A common stock available for issuance under the 2018 Plan will not be increased by (i) any shares tendered or withheld in connection with the purchase of shares upon exercise of a stock option, (ii) any shares deducted or delivered in connection with the Company's tax withholding obligations, or (iii) any shares purchased by the Company with proceeds from stock option exercises. The shares granted to the independent directors of the Company under the 2018 Plan vest in May 2019. Shares granted to non-independent directors, officers and the Manager under the 2018 Plan vest ratably in three annual installments beginning in March 2018.

The table below summarizes our awards granted or vested under the 2018 Plan during the three months ended March 31, 2018:

	Number of Shares		
	Restricted Stock	Total	Weighted Average Grant Date Fair Value
Unvested Shares at December 31, 2017	—	—	$ —
Granted	1,003,818	1,003,818	19.39
Vested	—	—	—
Forfeited	—	—	—
Unvested shares at March 31, 2018	1,003,818	1,003,818	$ 19.39

No equity awards vested during the three months ended March 31, 2018. There was no equity-based compensation plan for the three months ended March 31, 2017. Fair value of vested awards is determined based on the closing price of the Company's class A common stock on the date of grant for employee awards, and remeasured each period end based on the closing price of the Company's class A common stock of such period end for non-employee awards. Equity-based compensation is classified within administrative expense in the consolidated statement of operations.

At March 31, 2018, aggregate unrecognized compensation cost for all unvested equity awards was $18.7 million, which is expected to be recognized over a weighted-average period of 2.9 years.

13. Stockholders' Equity

Authorized Capital

As of March 31, 2018, the Company had the authority to issue up to 1.0 billion shares of stock, at $0.01 par value per share, consisting of 905.0 million shares of Class A common stock, 45.0 million shares of Class B-3 common stock, and 50.0 million shares of preferred stock.

The Company had no shares of preferred stock issued and outstanding as of March 31, 2018.

Dividends

During the three months ended March 31, 2018, the Company declared the following dividends on its common stock:

Declaration Date	Record Date	Payment Date	Per Share
February 26, 2018	March 8, 2018	March 16, 2018	$0.145
March 15, 2018	March 29, 2018	April 10, 2018	$0.145

Stock Repurchase Program

The Company's board of directors authorized a stock repurchase program (the "Stock Repurchase Program"), under which the Company may repurchase up to $300.0 million of its outstanding Class A common stock until March 31, 2019. Under the Stock Repurchase Program, the Company may repurchase shares in open market purchases, through tender offers or otherwise in accordance with all applicable securities laws and regulations, including Rule 10b-18 of the Securities Exchange Act of 1934, as amended.

As of March 31, 2018, the Company had not repurchased any shares under the Stock Repurchase Program.

14. Noncontrolling Interests

Operating Partnership

Noncontrolling interests include the aggregate limited partnership interests in the OP held by RED REIT. Net loss attributable to the noncontrolling interests is based on the limited partners' ownership percentage of the OP and was $0.1 million for the three months ended March 31, 2018.

Investment Entities

Noncontrolling interests in investment entities represent third-party equity interests in ventures that are consolidated with the Company’s financial statements. Net income attributable to noncontrolling interests in the investment entities for the three months

ended March 31, 2018 was $2.4 million and net income attributable to noncontrolling interests in the investment entities for the three months ended March 31, 2017 was $9.1 million.

15. Fair Value

Determination of Fair Value

The following is a description of the valuation techniques used to measure fair value of assets accounted for at fair value on a recurring basis and the general classification of these instruments pursuant to the fair value hierarchy.

PE Investments

The Company accounts for PE Investments at fair value which is determined based on a valuation model using assumptions for the timing and amount of expected future cash flow for income and realization events for the underlying assets in the funds and discount rate. This fair value measurement is generally based on unobservable inputs and, as such, is classified as Level 3 of the fair value hierarchy. The Company considers cash flow and NAV information provided by general partners of private funds and the implied yields of those funds in valuing its PE Investments. However, the Company has not elected the practical expedient to measure the fair value of its PE Investments using the NAV of the underlying funds.

Real Estate Securities

CRE securities are generally valued using a third-party pricing service or broker quotations. These quotations are not adjusted and are based on observable inputs that can be validated, and as such, are classified as Level 2 of the fair value hierarchy. Certain CRE securities may be valued based on a single broker quote or an internal price which may have less observable pricing, and as such, would be classified as Level 3 of the fair value hierarchy. Management determines the prices are representative of fair value through a review of available data, including observable inputs, recent transactions as well as its knowledge of and experience in the market.

Investing VIEs

As discussed in Note 7, “Real Estate Securities, Available for Sale,” the Company has elected the fair value option for the financial assets and liabilities of the consolidated Investing VIEs. The Investing VIEs are “static,” that is no reinvestment is permitted and there is very limited active management of the underlying assets. The Company is required to determine whether the fair value of the financial assets or the fair value of the financial liabilities of the Investing VIEs are more observable, but in either case, the methodology results in the fair value of the assets of the securitization trusts being equal to the fair value of their liabilities. The Company has determined that the fair value of the liabilities of the securitization trusts are more observable, since market prices for the liabilities are available from a third-party pricing service or are based on quoted prices provided by dealers who make markets in similar financial instruments. The financial assets of the securitization trusts are not readily marketable and their fair value measurement requires information that may be limited in availability.

In determining the fair value of the trusts’ financial liabilities, the dealers will consider contractual cash payments and yields expected by market participants. Dealers also incorporate common market pricing methods, including a spread measurement to the treasury curve or interest rate swap curve as well as underlying characteristics of the particular security including coupon, periodic and life caps, collateral type, rate reset period and seasoning or age of the security. The Company’s collateralized mortgage obligations are classified as Level 2 of the fair value hierarchy, where a third-party pricing service or broker quotations are available, and as Level 3 of the fair value hierarchy, where internal price is utilized which may have less observable pricing. In accordance with ASC 810, *Consolidation*, the assets of the securitization trusts are an aggregate value derived from the fair value of the trust’s liabilities, and the Company has determined that the valuation of the trust’s assets in their entirety including its retained interests from the securitizations (eliminated in consolidation in accordance with U.S. GAAP) should be classified as Level 3 of the fair value hierarchy.

Fair Value Hierarchy

Financial assets recorded at fair value on a recurring basis are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The following table presents financial assets that were accounted for at fair value on a recurring basis as of March 31, 2018 and December 31, 2017 by level within the fair value hierarchy (dollars in thousands):

	March 31, 2018 (Unaudited)				December 31, 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets:								
Investments in unconsolidated ventures[1]	$ —	$ —	$ 257,495	$ 257,495	$ —	$ —	$ 24,717	$ 24,717
Real estate securities, available for sale	—	176,194	—	176,194	—	—	—	—
Mortgage loans held in securitization trusts, at fair value	—	—	3,193,298	3,193,298	—	—	—	—
Liabilities:								
Mortgage obligations issued by securitization trusts, at fair value	$ —	$ 3,051,315	$ —	$ 3,051,315	$ —	$ —	$ —	$ —

(1) Represents investments for which the Company elected fair value option.

The following table presents the changes in fair value of financial assets which are measured at fair value on a recurring basis using Level 3 inputs to determine fair value for the three months ended March 31, 2018 and year ended December 31, 2017 (dollars in thousands):

	Three Months Ended March 31, 2018 (Unaudited)		Year Ended December 31, 2017
	PE Investments	Mortgage loans held in securitization trusts [1]	PE Investments
Beginning balance	$ 24,417	$ —	$ —
Contributions[2]/purchases	243,786	3,327,199	72,325
Distributions/paydowns	(15,946)	(111,181)	(49,344)
Equity in earnings	6,320	—	6,829
Unrealized loss in earnings	(1,082)	(22,720)	(5,393)
Ending balance	$ 257,495	$ 3,193,298	$ 24,417

(1) For the three months ended March 31, 2018, unrealized loss of $22.7 million related to mortgage loans held in securitization trusts, at fair value was offset by unrealized gain of $23.2 million related to mortgage obligations issued by securitization trusts, at fair value.
(2) Includes initial investments, before distribution and contribution closing statement adjustments, and subsequent contributions, including deferred purchase price fundings.

For the three months ended March 31, 2018 and the year ended December 31, 2017, the Company used a discounted cash flow model to quantify Level 3 fair value measurements on a recurring basis. For the three months ended March 31, 2018 and the year ended December 31, 2017, the key unobservable inputs used in the analysis of PE Investments included discount rates with a range of 11.1% to 20.0% and 11.1% to 12.4%, respectively, and timing and amount of expected future cash flow. For the three months ended March 31, 2018, the key unobservable inputs used in the valuation of mortgage obligations issued by securitization trusts included yields ranging from 9.6% to 14.2% and a weighted average life of 6.2 years. Significant increases or decreases in any one of the inputs described above in isolation may result in significantly different fair value of the financial assets and liabilities using such Level 3 inputs.

For the three months ended March 31, 2018, the Company recorded a net unrealized gain of $0.5 million related to mortgage loans held in and mortgage obligations issued by securitization trusts, at fair value. These amounts, when incurred, are recorded as unrealized gain (loss) on mortgage loans and obligations held in securitization trusts, net in the consolidated statements of operations.

For the three months ended March 31, 2018, the Company recorded an unrealized loss on PE Investments of $1.1 million. These amounts, when incurred, are recorded as equity in earnings of unconsolidated ventures in the consolidated statements of operations.

Fair Value Option

The Company may elect to apply the fair value option of accounting for certain of its financial assets or liabilities due to the nature of the instrument at the time of the initial recognition of the investment. The Company elected the fair value option for PE Investments and eligible financial assets and liabilities of its consolidated Investing VIEs because management believes it is a more useful presentation for such investments. The Company determined recording the PE Investments based on the change in fair value of projected future cash flow from one period to another better represents the underlying economics of the respective investment. As of March 31, 2018 and December 31, 2017, the Company has elected not to apply the fair value option for any other eligible financial assets or liabilities.

Fair Value of Financial Instruments

In addition to the above disclosures regarding financial assets or liabilities which are recorded at fair value, U.S. GAAP requires disclosure of fair value about all financial instruments. The following disclosure of estimated fair value of financial instruments was determined by the Company using available market information and appropriate valuation methodologies. Considerable judgment is necessary to interpret market data and develop estimated fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize on disposition of the financial instruments. The use of different market assumptions and/or estimation methodologies may have a material effect on estimated fair value.

The following table presents the principal amount, carrying value and fair value of certain financial assets and liabilities as of March 31, 2018 and December 31, 2017 (dollars in thousands):

	March 31, 2018 (Unaudited)			December 31, 2017		
	Principal Amount	Carrying Value	Fair Value	Principal Amount	Carrying Value	Fair Value
Financial assets:[1]						
Loans held for investment, net	$ 1,805,636 [2]	$ 1,816,218	$ 1,814,530	$ 1,307,740 [2]	$ 1,300,784	$ 1,311,783
Financial liabilities:[1]						
Securitization bonds payable, net	$ 172,145	$ 172,113	$ 172,113	$ 108,794	$ 108,679	$ 108,974
Mortgage notes payable, net	929,598	924,018	885,756	284,035	280,982	282,333
Master repurchase facilities	602,277	602,277	602,277	—	—	—

(1) The fair value of other financial instruments not included in this table is estimated to approximate their carrying value.
(2) Excludes future funding commitments of $68.3 million and $19.2 million as of March 31, 2018 and December 31, 2017, respectively.

Disclosure about fair value of financial instruments is based on pertinent information available to management as of the reporting date. Although management is not aware of any factors that would significantly affect fair value, such amounts have not been comprehensively revalued for purposes of these consolidated financial statements since that date and current estimates of fair value may differ significantly from the amounts presented herein.

Loans Held for Investment, Net

For loans held for investment, net, fair values were determined: (i) by comparing the current yield to the estimated yield for newly originated loans with similar credit risk or the market yield at which a third party might expect to purchase such investment; or (ii) based on discounted cash flow projections of principal and interest expected to be collected, which includes consideration of the financial standing of the borrower or sponsor as well as operating results of the underlying collateral. These fair value measurements of CRE debt are generally based on unobservable inputs and, as such, are classified as Level 3 of the fair value hierarchy. Carrying values of loans held for investment are presented net of allowance for loan losses, where applicable.

Securitization Bonds Payable, Net

Securitization bonds payable, net are valued using quotations from nationally recognized financial institutions that generally acted as underwriter for the transactions. These quotations are not adjusted and are generally based on observable inputs that can be validated, and as such, are classified as Level 2 of the fair value hierarchy.

Mortgage and Other Notes Payable, Net

For mortgage and other notes payable, net, the Company primarily uses rates currently available with similar terms and remaining maturities to estimate fair value. These measurements are determined using comparable U.S. Treasury rates as of the end of the

reporting period. These fair value measurements are based on observable inputs, and as such, are classified as Level 2 of the fair value hierarchy.

Master Repurchase Facilities

The Company has amounts outstanding under Master Repurchase Facilities. The Master Repurchase Facilities bear floating rates of interest. As of the reporting date, the Company believes the carrying value approximates fair value. These fair value measurements are based on observable inputs, and as such, are classified as Level 2 of the fair value hierarchy.

Other

The carrying values of cash, interest receivable, accounts receivable, interest payable, and accounts payable approximate fair value due to their short term nature and credit risk, if any, are negligible.

16. Segment Reporting

The Company currently conducts its business through the following five segments, which are based on how management reviews and manages its business:

- *Loan Portfolio* - Focused on originating, acquiring and asset managing CRE debt investments including first mortgage loans, mezzanine loans, and preferred equity interests as well as participations in such loans. The CRE Debt segment also includes real estate acquired in settlement of loans as well as ADC arrangements accounted for as equity method investments.

- *CRE Debt Securities* - Focused on investing in CMBS (including “B-pieces” of a CMBS securitization pool) or CRE CLOs (collateralized by pools of CRE debt instruments).

- *Net Leased Real Estate* - Focused on direct investments in commercial real estate with long-term leases to tenants on a net lease basis, where such tenants generally will be responsible for property operating expenses such as insurance, utilities, maintenance capital expenditures and real estate taxes.

- *Other* - The other segment includes direct investments in non-core operating real estate such as multi-tenant office and multifamily residential assets as well as PE Investments.

- *Corporate* - The corporate segment includes corporate level asset management and other fees, related party and general and administrative expenses.

The Company may also own investments indirectly through a joint venture.

Following the Combination, the following changes were made to the Company’s operating segments:

- The acquired CRE securities formed the new CRE debt securities segment

- The net leased real estate of the combined organization is aggregated into the net leased real estate segment

- All non-core operating real estate and PE Investments of the combined organization is aggregated into the other segment

- The corporate segment consists of corporate level cash and corresponding interest income, fixed assets, corporate level financing and related interest expense, expense for management fees and cost reimbursement to the Manager, as well as Combination-related transaction costs.

The Company primarily generates revenue from net interest income on the loan and securities portfolios, rental and other income from its net leased, multi-tenant office and multifamily real estate assets, as well as equity in earnings of unconsolidated ventures, including from PE Investments. CRE debt securities include the Company’s investment in the subordinate tranches of the securitization trusts which are eliminated in consolidation. The Company’s income is primarily derived through the difference between revenue and the cost at which the Company is able to finance its investments. The Company may also acquire investments which generate attractive returns without any leverage.

COLONY NORTHSTAR CREDIT REAL ESTATE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

The following tables present segment reporting for the three months ended March 31, 2018 and 2017 (dollars in thousands):

Three Months Ended March 31, 2018	Loan	CRE Debt Securities	Net leased real estate	Other	Corporate[1]	Total
Net interest income	$ 28,232	$ 2,902	$ —	$ —	$ (823)	$ 30,311
Property and other income	2,237	2	12,442	14,204	177	29,062
Management fee expense	—	—	—	—	(8,000)	(8,000)
Property operating expense	(1,223)	—	(4,106)	(6,390)	—	(11,719)
Transaction, investment and servicing expense	(441)	—	(10)	(12)	(30,478)	(30,941)
Interest expense on real estate	(223)	—	(3,498)	(2,672)	—	(6,393)
Depreciation and amortization	(677)	—	(6,570)	(11,545)	—	(18,792)
Administrative expense	(135)	84	(1)	(4)	(3,172)	(3,228)
Unrealized gain on mortgage loans and obligations held in securitization trusts, net	—	(110)	—	—	607	497
Other gain on investments, net	442	—	23	—	—	465
Income (loss) before equity in earnings of unconsolidated ventures and income taxes	28,212	2,878	(1,720)	(6,419)	(41,689)	(18,738)
Equity in earnings of unconsolidated ventures	10,550	—	—	5,238	—	15,788
Income tax benefit (expense)	816	—	—	(267)	—	549
Net income (loss)	$ 39,578	$ 2,878	$ (1,720)	$ (1,448)	$ (41,689)	$ (2,401)

(1) Includes income earned from the CRE securities purchased at a discount, recognized using the effective interest method had the transaction been recorded as an available for sale security, at amortized cost. During the three months ended March 31, 2018, $0.6 million was attributable to discount accretion income and was eliminated in consolidation in the corporate segment. The corresponding interest expense is recorded in net interest income in the Corporate column.

Three Months Ended March 31, 2017	Loan	Net leased real estate	Other	Corporate	Total
Net interest income	$ 29,047	$ —	$ —	$ —	$ 29,047
Property and other income	724	4,576	—	—	5,300
Property operating expense	(537)	(1,074)	—	—	(1,611)
Transaction, investment and servicing expense	(614)	(87)	—	—	(701)
Interest expense on real estate	—	(976)	—	—	(976)
Depreciation and amortization	(97)	(2,188)	—	—	(2,285)
Administrative expense	(65)	—	—	(2,947)	(3,012)
Income (loss) before equity in earnings (losses) of unconsolidated ventures and income tax benefit (expense)	28,458	251	—	(2,947)	25,762
Equity in earnings of unconsolidated ventures	4,209	—	1,829	—	6,038
Income tax benefit (expense)	—	—	223	—	223
Net income (loss)	$ 32,667	$ 251	$ 2,052	$ (2,947)	$ 32,023

The following table presents total assets by segment as of March 31, 2018 and December 31, 2017 (dollars in thousands):

Total Assets	Loan[1]	CRE Debt Securities	Net leased real estate	Other[1][2]	Corporate[3]	Total
March 31, 2018 (Unaudited)	$ 2,590,367	$ 3,597,300	$ 741,861	$ 1,148,338	$ 43,039	$ 8,120,905
December 31, 2017	1,573,714	—	241,271	24,417	—	1,839,402

(1) Includes investments in unconsolidated ventures totaling $179.3 million as of December 31, 2017.
(2) Includes investments in unconsolidated ventures totaling $756.5 million and $24.4 million as of March 31, 2018 and December 31, 2017, respectively.
(3) Includes cash, unallocated receivables, deferred costs and other assets, net and the elimination of the subordinate tranches of the securitization trusts in consolidation.

Geography

Geography is generally defined as the location in which the income producing assets reside or the location in which income generating services are performed. Long-lived assets comprise real estate, deferred leasing costs and intangible assets, all of which are located in the United States. Geography information on total income, which includes earnings from investments in unconsolidated ventures, is presented as follows (dollars in thousands):

	Three Months Ended March 31,	
	2018	2017
Total income by geography:		
United States	$ 107,815	$ 45,590
Other	—	899
Total	$ 107,815	$ 46,489

17. Earnings Per Share

The Company's net income (loss) and weighted average shares outstanding for the three months ended March 31, 2018 and 2017 consist of the following (dollars in thousands, except per share data):

	Three Months Ended March 31,	
	2018	2017
Net income (loss)	$ (2,401)	$ 32,023
Net (income) loss attributable to noncontrolling interests:		
Investment Entities	(2,370)	(9,137)
Operating Partnership[1]	57	(2,075)
Net income (loss) attributable to Colony NorthStar Credit Real Estate, Inc. common stockholders	$ (4,714)	$ 20,811
Numerator:		
Net (income) loss allocated to participating securities (nonvested shares)	(146)	—
Net income (loss) attributable to common stockholders	$ (4,860)	$ 20,811
Denominator:		
Weighted average shares outstanding[2]	98,662	44,399
Net income (loss) per common share - basic and diluted [3]	$ (0.05)	$ 0.47

(1) For earnings per share for the three months ended March 31, 2017, the Company allocated Company OP's share of net income as if Company OP held 3,075,623 CLNC OP Units during the period for comparative purposes. The CLNC OP units were not issued until January 31, 2018.
(2) For earnings per share, the Company assumes 44.4 million shares of class B-3 common stock were outstanding prior to January 31, 2018 to reflect the standalone pre-merger financial information of the CLNS Investment Entities, the Company's predecessor for accounting purposes.
(3) Excludes 3,075,623 CLNC OP Units, which are redeemable for cash, or at the Company's option, shares of Class A common stock on a one-for-one basis, and therefore would not be dilutive.

18. Subsequent Events

Dividends

On April 16, 2018, the Company's Board of Directors declared a monthly cash dividend of $0.145 per share of Class A common stock and Class B-3 common stock for the month ended April 30, 2018. The common stock dividend was paid on May 10, 2018 to stockholders of record on April 30, 2018. These distributions represent an annualized dividend of $1.74 per share of Class A common stock and Class B-3 common stock.

On May 3, 2018, the Company's Board of Directors declared a monthly cash dividend of $0.145 per share of Class A common stock and Class B-3 common stock for the month ended May 31, 2018. The common stock dividend will be paid on June 11, 2018 to stockholders of record on May 31, 2018. These distributions represent an annualized dividend of $1.74 per share of Class A common stock and Class B-3 common stock.

New Investments

Loans Held for Investment

In April 2018, the Company originated a $36.5 million (including $1.5 million of future funding commitments) first mortgage loan, secured by a multifamily property located in Oxnard, CA. The loan bears interest at 7.5% plus LIBOR at origination. The rate will be automatically reduced to 5.2% plus LIBOR after certain conditions are satisfied.

In May 2018, the Company acquired an $89.1 million (at par) preferred equity investment in an investment vehicle that owns a seven-property office portfolio located in the New York metropolitan area from an affiliate of the Company's Manager. The sponsor has invested and maintained approximately $87.0 million in contributions to the investment vehicle. The position includes a diversified tenant mix with minimal turnover and concentration, and provides

seniority to the sponsor's cash flow, with interest reserves and replenishment requirements. The acquisition was approved by the audit committee of Company's board of directors.

Real Estate Securities

In April 2018, the Company purchased two CMBS investments with an aggregate face value of $18.1 million at an aggregate discount to par of $4.0 million, or 21.8%.

Master Repurchase Agreements

On April 20, 2018, the Company consolidated two previous master repurchase agreements and entered into a restated and amended three-year master repurchase agreement with a major financial institution. This agreement provides up to $500.0 million to finance CMBS.

On April 23, 2018, the Company entered into a three-year master repurchase agreement with a major financial institution through its indirectly wholly owned subsidiaries. This agreement provides up to $300.0 million to finance the Company's lending activities. Assets pledged as collateral under this agreement are limited to first mortgage loans, senior loan participations and other commercial mortgage loan debt instruments secured by commercial real estate.

On April 26, 2018, the Company entered into a three-year master repurchase agreement with a major financial institution through a subsidiary. This agreement provides up to $500.0 million to finance the Company's lending activities. Assets pledged as collateral under this agreement are limited to first mortgage loans, mezzanine loans, senior loan participations and other commercial mortgage loan debt instruments secured by commercial real estate.

The Company has the option to extend these agreements subject to a number of conditions. These agreements will act as revolving credit facilities that can be paid down and subsequently re-drawn subject to the satisfaction of customary conditions precedent.

Other

In April 2018, two separate hospitality loans with total outstanding principal balances of $117.0 million matured but failed to meet extension tests per the respective loan agreements and are in default as of the date of this filing. The loans are current with regards to their interest payments. The Company is in discussions with the borrowers to resolve the matters.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our unaudited consolidated financial statements and the accompanying notes thereto, which are included in Item 1 of this Quarterly Report, as well as the information contained in our Form 10-K for the year ended December 31, 2017, which is accessible on the SEC's website at www.sec.gov.

Introduction

We are a CRE credit REIT focused on originating, acquiring, financing and managing a diversified portfolio consisting primarily of CRE senior mortgage loans, mezzanine loans, preferred equity, debt securities and net leased properties predominantly in the United States. CRE debt investments include senior mortgage loans, mezzanine loans, preferred equity, and participations in such loans and preferred equity interests. CRE debt securities primarily consist of commercial mortgage backed securities ("CMBS") (including "B-pieces" of a CMBS securitization pool) or CRE collateralized loan obligations ("CLOs") (collateralized by pools of CRE debt investments). Net leased properties consist of CRE properties with long-term leases to tenants on a net-lease basis, where such tenants generally will be responsible for property operating expenses such as insurance, utilities, maintenance capital expenditures and real estate taxes.

We were organized in the state of Maryland on August 23, 2017. On September 15, 2017, Colony NorthStar, a publicly traded REIT listed on the NYSE under the ticker symbol "CLNS," made an initial capital contribution of $1,000 to us. We intend to qualify as a REIT under the Internal Revenue Code of 1986, as amended, beginning with our taxable year ending December 31, 2018. We conduct all of our activities and hold substantially all of our assets and liabilities through our operating subsidiary, Credit RE Operating Company, LLC (the "Operating Partnership" or "OP"). At March 31, 2018, we owned 97.6% of the OP, as its sole managing member. The remaining 2.4% is owned primarily by our affiliate as noncontrolling interests.

We are externally managed by a subsidiary of Colony NorthStar, a NYSE-listed global real estate and investment management firm with over $23 billion of total consolidated assets and over $27 billion of assets under management. As of March 31, 2018**,** Colony NorthStar owned approximately 37% of our common equity on a fully diluted basis, evidencing a strong alignment of interests between Colony NorthStar and our other stockholders.

Combination

On January 31, 2018, our Combination among the CLNS Contributed Portfolio, NorthStar I, and NorthStar II was completed in an all-stock exchange.

The Combination created a prominent publicly listed real estate credit REIT. Our senior executives include Kevin P. Traenkle as the Chief Executive Officer and Sujan S. Patel as the Chief Financial Officer. Our board of directors consists of seven directors, four of whom are independent.

Refer to Note 3, "Business Combinations" to the Consolidated Financial Statements included in Item 1 of this Quarterly Report for further information related to the Combination. Additional information about the Combination and the Combination Agreement are set forth in the joint proxy statement/prospectus on Form S-4 initially filed by us on November 21, 2017 as amended from time to time and the Current Report on Form 8-K filed by us on January 29, 2018.

Our Manager

We are externally managed by a subsidiary of Colony NorthStar. Colony NorthStar and its predecessors have a 26-year track record and have made over $100 billion of investments. Colony NorthStar's senior management team, which is led by Executive Chairman Thomas J. Barrack, Jr. and Chief Executive Officer and President Richard B. Saltzman, has a long track record and extensive experience managing and investing in our target assets and other real estate-related investments through a variety of credit cycles and market conditions. Colony NorthStar's global footprint and corresponding network provides its investment and asset management teams with proprietary market knowledge, exceptional sourcing capabilities and the local presence required to identify, execute and manage complex transactions. Colony NorthStar's successful history of external management includes its previous management of Colony Financial, its current management of NorthStar Realty Europe Corp., a publicly traded REIT focused on European CRE with nearly $2 billion in assets, and its management of various non-traded REITs with in excess of $3 billion of equity commitments.

Colony NorthStar and its affiliates have more than 500 employees located domestically and internationally across 18 cities in ten countries, with its principal offices located in Los Angeles, California and New York, New York. Its operations are broad and diverse and include the management of real estate, both owned and on behalf of a diverse set of institutional and individual investors. Colony NorthStar has a highly experienced management team of diverse backgrounds with a demonstrated track record of success and, on average, 32 years of operational and management experience at asset managers and investment firms, private investment funds, investment banks and other financial service companies, which provides an enhanced perspective for managing our portfolio. Kevin P. Traenkle, a 24-year veteran of Colony NorthStar, serves as our Chief Executive Officer; Sujan S. Patel, an

11-year veteran of Colony NorthStar, serves as our Chief Financial Officer; Neale W. Redington, a nine-year veteran of Colony NorthStar, serves as our Chief Accounting Officer; and David A. Palamé, an 11-year veteran of Colony NorthStar, serves as our General Counsel.

We draw on Colony NorthStar's substantial real estate investment platform and relationships to source, underwrite, structure and manage a robust pipeline of investment opportunities as well as to access debt and equity capital to fund our operations. We believe we are able to originate, acquire, finance and manage investments with attractive in-place cash flows and the potential for meaningful capital appreciation over time. We also benefit from Colony NorthStar's portfolio management, finance and administration functions, which provide us with legal, compliance, investor relations, asset valuation, risk management and information technology services.

Our operating segments include the loan portfolio, CRE debt securities, net leased real estate, other, and corporate. Our target assets, as more fully described below, are included in different operating segments. Senior mortgage loans, mezzanine loans and preferred equity are included in the loan portfolio segment. Refer to Note 16, "Segment Reporting," for further discussion of our operating segments.

Our Target Assets

Our investment strategy is to originate and selectively acquire our target assets, which consist of the following:

- ***Senior Mortgage Loans.*** We focus on originating and selectively acquiring senior mortgage loans that are backed by CRE assets. These loans are secured by a first mortgage lien on a commercial property and provide mortgage financing to a commercial property developer or owner. The loans may vary in duration, bear interest at a fixed or floating rate and amortize, if at all, over varying periods, often with a balloon payment of principal at maturity. Senior mortgage loans include junior participations in our originated senior loans for which we have syndicated the senior participations to other investors and retained the junior participations for our portfolio. We believe these junior participations are more similar to the senior mortgage loans we originate than other loan types given their credit quality and risk profile.

- ***Mezzanine Loans.*** We may originate or acquire mezzanine loans, which are structurally subordinate to senior loans, but senior to the borrower's equity position. Mezzanine loans may be structured such that our return accrues and is added to the principal amount rather than paid on a current basis. We may also pursue equity participation opportunities in instances when the risk-reward characteristics of the investment warrant additional upside participation in the possible appreciation in value of the underlying assets securing the investment.

- ***Preferred Equity.*** We may make investments that are subordinate to senior and mezzanine loans, but senior to the common equity in the mortgage borrower. Preferred equity investments may be structured such that our return accrues and is added to the principal amount rather than paid on a current basis. We also may pursue equity participation opportunities in preferred equity investments, similar to such participations in mezzanine loans.

- ***CRE Debt Securities.*** We may make investments that consist of bonds comprising certain tranches of CRE securitization pools, such as CMBS (including "B-pieces" of a CMBS securitization pool) or CLOs (collateralized by pools of CRE debt instruments). These bonds may be investment grade or below investment grade and are collateralized by CRE debt, typically secured by senior mortgage loans and may be fixed rate or floating rate securities. Due to their first-loss position, CMBS B-pieces are typically offered at a discount to par. These investments typically carry a 10-year weighted average life due to prepayment restrictions. We generally intend to hold these investments through maturity, but may, from time to time, opportunistically sell positions should liquidity become available or be required.

- ***Net Leased Real Estate.*** We may also invest directly in well-located commercial real estate with long-term leases to tenants on a net lease basis, where such tenants generally will be responsible for property operating expenses such as insurance, utilities, maintenance capital expenditures and real estate taxes. In addition, tenants of our properties typically pay rent increases based on: (1) increases in the consumer price index (typically subject to ceilings), (2) fixed increases, or (3) additional rent calculated as a percentage of the tenants' gross sales above a specified level. We believe that a portfolio of properties under long-term, net lease agreements generally produces a more predictable income stream than many other types of real estate portfolios, while continuing to offer the potential for growth in rental income.

The allocation of our capital among our target assets will depend on prevailing market conditions at the time we invest and may change over time in response to different prevailing market conditions. In addition, in the future, we may invest in assets other than our target assets or change our target assets. With respect to all of our investments, we invest so as to maintain our qualification as a REIT for U.S. federal income tax purposes and our exclusion or exemption from regulation under the Investment Company Act of 1940, as amended (the "Investment Company Act").

Highlights

Significant developments affecting our business and results of operations for the three months ended March 31, 2018 include:

- Completed the Combination of the CLNS Contributed Portfolio, NorthStar I and NorthStar II on January 31, 2018 in an all-stock transaction;
- Completed listing on the NYSE under the ticker symbol “CLNC” on February 1, 2018;
- Secured $400.0 million corporate revolving credit facility with a maturity of February 1, 2022, with two six-month extension options, at our election;
- Deployed $228.0 million of capital;
- Announced the approval of a $300.0 million stock repurchase program of our outstanding Class A common stock, through which no stock has yet been repurchased; and
- Declared and paid a monthly dividend of $0.145 per share of Class A and Class B-3 common stock for February and March 2018.

Results of Operations

As a result of the Combination, comparisons of our period to period financial information as set forth herein may not be meaningful. The historical financial information included herein as of any date, or for any periods, on or prior to January 31, 2018, represents the pre-merger financial information of the CLNS Investment Entities, our accounting predecessor, on a stand-alone basis. The CLNS Investment Entities represent only a portion of our business following the Combination and therefore does not represent the results of operations the Company would have had for any period prior to the Combination. As of February 1, 2018, our results of operations reflect our operation following the Combination of our accounting predecessor, the CLNS Investment Entities, and NorthStar I and NorthStar II. The results of operations of NorthStar I and NorthStar II are incorporated into ours effective from February 1, 2018.

Comparison of the Three Months Ended March 31, 2018 to 2017 (Dollars in Thousands):

	Three Months Ended March 31,		Increase (Decrease)	
	2018	2017	Amount	%
Net interest income				
Interest income	$ 36,139	$ 35,151	$ 988	2.8 %
Interest expense on loans held for investment	(7,415)	(6,104)	1,311	(21.5)%
Interest income on mortgage loans held in securitization trusts	25,865	—	25,865	100.0 %
Interest expense on mortgage obligations issued by securitization trusts	(24,278)	—	(24,278)	100.0 %
Net interest income	30,311	29,047	1,264	4.4 %
Property and other income				
Property operating income	28,545	5,139	23,406	455.5 %
Other income	517	161	356	221.1 %
Total property and other income	29,062	5,300	23,762	448.3 %
Expenses				
Management fee expense	8,000	—	8,000	100.0 %
Property operating expense	11,719	1,611	10,108	627.4 %
Transaction, investment and servicing expense	30,941	701	30,240	4,313.8 %
Interest expense on real estate	6,393	976	5,417	555.0 %
Depreciation and amortization	18,792	2,285	16,507	722.4 %
Administrative expense (including $285 and $0 of equity-based compensation expense)	3,228	3,012	216	7.2 %
Total expenses	79,073	8,585	70,488	821.1 %
Other income (loss)				
Unrealized gain on mortgage loans and obligations held in securitization trusts, net	497	—	497	100.0 %
Other gain on investments, net	465	—	465	100.0 %
Loss before equity in earnings (losses) of unconsolidated ventures and income tax benefit (expense)	(18,738)	25,762	(44,500)	(172.7)%
Equity in earnings of unconsolidated ventures	15,788	6,038	9,750	161.5 %
Income tax benefit	549	223	326	146.2 %
Net income (loss)	$ (2,401)	$ 32,023	$ (34,424)	(107.5)%

Net Interest Income

Interest income

Interest income increased by $1.0 million to $36.1 million for the three months ended March 31, 2018 due to an increase of $19.1 million related to the acquisition of NorthStar I and NorthStar II, partially offset by $18.1 million decrease in the CLNS Investment Entities primarily driven by the deconsolidation of certain investment entities.

Interest expense on loans held for investment

Interest expense increased by $1.3 million to $7.4 million due to a $5.1 million increase as a result of the acquisition of NorthStar I and NorthStar II, partially offset by a $3.8 million decrease in CLNS Investment Entities primarily driven by the deconsolidation of certain investment entities.

Net interest income on mortgage loans and obligations held in securitization trusts, net

Net interest income on mortgage loans and obligations held in securitization trusts, net was $1.6 million and relates to our investment in the subordinate tranches of the consolidated securitization trusts acquired as a result of the Combination.

Property and other income

Property operating income

Property operating income increased by $23.4 million to $28.5 million primarily as a result of the properties acquired in connection with the acquisition of NorthStar I and NorthStar II.

Expenses

Management fee expense

Management fee expense represents fees paid to our Manager in accordance with the Management Agreement. During the three months ended March 31, 2018, management fee expense was $8.0 million. We entered into the Management Agreement on January 31, 2018 and therefore we did not incur any management fee expenses prior to this date.

Property operating expense

Property operating expense increased by $10.1 million to $11.7 million primarily as a result of the properties acquired in connection with the acquisition of NorthStar I and NorthStar II.

Transaction, investment and servicing expense

Transaction, investment and servicing expense represents costs such as professional fees associated with new investments and transactions. Transaction, investment and servicing expense increased by $30.2 million to $30.9 million for the three months ended March 31, 2018 as compared to the three months ended March 31, 2017 primarily as a result of costs associated with the Combination.

Interest expense on real estate

Interest expense on real estate increased by $5.4 million to $6.4 million primarily as a result of the properties acquired in connection with the acquisition of NorthStar I and NorthStar II.

Depreciation and amortization

Depreciation and amortization expense increased by $16.5 million to $18.8 million primarily as a result of the properties acquired in connection with the acquisition of NorthStar I and NorthStar II.

Other income (loss)

Unrealized gain (loss) on mortgage loans and obligations held in securitization trusts, net

During the three months ended March 31, 2018, we recorded an unrealized gain on mortgage loans and obligations held in securitization trusts, net of $0.5 million which represents the change in the fair value of the consolidated assets and liabilities of our investment in the subordinate tranches of the securitization trusts acquired as a result of the Combination.

Other gain on investments, net

During the three months ended March 31, 2018, we recorded a $0.5 million gain realized on the foreclosure of a loan held for investment.

Equity in earnings of unconsolidated ventures

Equity in earnings of unconsolidated ventures increased by $9.8 million to $15.8 million primarily driven by investments acquired as a result of the acquisition of NorthStar I and NorthStar II.

Income tax benefit

For the three months ended March 31, 2018 and 2017, we recorded income tax benefit of $0.5 million and $0.2 million, respectively, related to our PE Investments.

Our Portfolio

As of March 31, 2018, our portfolio consisted of 153 investments representing approximately $7.6 billion in book value (excluding cash, cash equivalents and certain other assets). Our loan portfolio consisted of 83 senior mortgage loans, mezzanine loans and preferred equity investments and had a weighted average cash coupon of 8.0% and a weighted average all-in levered yield of 8.2%. Our CRE debt securities portfolio had a weighted average cash coupon of 3.7%. Our owned real estate portfolio (including net lease and other real estate) consisted of approximately 12.7 million total square feet of space and the total annualized base rent of that portfolio was approximately $134.6 million (based on leases in place as of March 31, 2018).

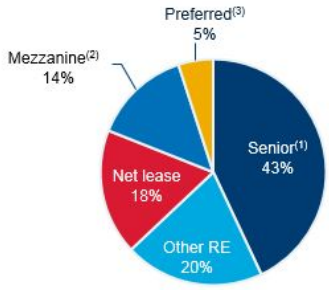
As of March 31, 2018, our portfolio consisted of the following investments (dollars in thousands):

Asset	Count	Book value	Noncontrolling interest[1]	Book value at our share[2]
Senior mortgage loans[3]	56	$ 1,597,868	$ 9,176	$ 1,588,692
Mezzanine loans[4]	22	534,776	9,177	525,599
Preferred equity[5]	5	182,549	—	182,549
CMBS[6]	42	350,896	32,719	318,177
Mortgage loans held in securitization trusts[6]	—	3,018,603	—	3,018,603
Owned real estate-Net lease[7]	10	713,574	35,078	678,496
Owned real estate-Other[7][8]	12	894,752	134,934	759,818
Private equity interests	6	257,495	—	257,495
Total	153	$ 7,550,513	$ 221,084	$ 7,329,429

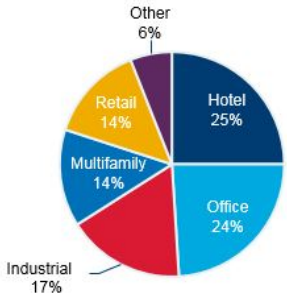
(1) Non-controlling interest (“NCI”) represent interests in assets held by third party partners.
(2) Book value at our share represents the proportionate book value based on our ownership by asset; book values at our share for securitization assets are net of the accounting impact from consolidation.
(3) Senior mortgage loans include junior participations in our originated senior mortgage loans for which we have syndicated the senior participations to other investors and retained the junior participations for our portfolio and contiguous mezzanine loans where we own both the senior and junior loan positions. We believe these investments are more similar to the senior mortgage loans we originate than other loan types given their credit quality and risk profile.
(4) Mezzanine loans include other subordinated loans.
(5) Preferred equity balances include $41.9 million of book value at our share attributable to related equity participation interests.
(6) Mortgage loans held in securitization trusts includes $3.2 billion of book value assets in three securitization trusts in which we own the controlling class of securities and therefore consolidate. The consolidated liabilities related to these consolidated assets are $3.1 billion. The difference between the carrying values of the mortgage loans held in securitization trusts and the carrying value of the mortgage obligations issued by the securitization trusts was $142.0 million as of March 31, 2018 and approximates the fair value of the Company’s underlying investments in the subordinate tranches of the securitization trusts.
(7) Owned real estate - net lease and owned real estate - other include deferred leasing costs and intangible assets.
(8) Owned real estate - other consists of multi-tenant office and multifamily residential assets.

The following charts illustrate the diversification of our portfolio (not including CMBS, mortgage loans held in securitization trusts, and private equity interests) based on investment type, underlying property type, and geography, as of March 31, 2018 (percentages based on book value at our share, which represents the proportionate book value based on our ownership by asset):

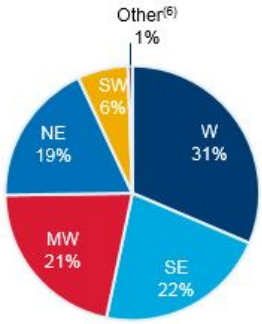
Investment Type



Property Type



Geography



(1) Senior mortgage loans include junior participations in our originated senior mortgage loans for which we have syndicated the senior participations to other investors and retained the junior participations for our portfolio and contiguous mezzanine loans where we own both the senior and junior loan positions. We believe these investments are more similar to the senior mortgage loans we originate than other loan types given their credit quality and risk profile.
(2) Mezzanine loans include other subordinated loans.
(3) Preferred equity balances include $41.9 million of book value at our share attributable to related equity participation interests.
(4) Various includes one non-U.S. collateral asset.

Underwriting Process

We use a rigorous investment and underwriting process that has been developed and utilized by our Manager's and its affiliates' senior management teams leveraging their extensive commercial real estate expertise over many years and real estate cycles which focuses on some or all of the following factors designed to ensure each investment is evaluated appropriately: (i) macroeconomic conditions that may influence operating performance; (ii) fundamental analysis of underlying real estate, including tenant rosters, lease terms, zoning, necessary licensing, operating costs and the asset's overall competitive position in its market; (iii) real estate market factors that may influence the economic performance of the investment, including leasing conditions and overall competition; (iv) the operating expertise and financial strength and reputation of a tenant, operator, partner or borrower; (v) the cash flow in place and projected to be in place over the term of the investment and potential return; (vi) the appropriateness of the business plan and estimated costs associated with tenant buildout, repositioning or capital improvements; (vii) an internal and third-party valuation of a property, investment basis relative to the competitive set and the ability to liquidate an investment through a sale or refinancing; (viii) review of third-party reports including appraisals, engineering and environmental reports; (ix) physical inspections of properties and markets; (x) the overall legal structure of the investment, contractual implications and the lenders' rights; and (xi) the tax and accounting impact.

The following section describes the major CRE asset classes in which we may invest and actively manage to maximize value and to protect capital.

Loan Portfolio

Our loan portfolio consists of senior mortgage loans, mezzanine loans and preferred equity interests, some of which have equity participation interests.

The following table provides a summary of our loan portfolio as of March 31, 2018 (dollars in thousands):

		Book Value			Principal Balance			Weighted Average[5]			
Asset	**Count**	**Book value**	**NCI**	**Book value at our share[4]**	**Principal balance**	**NCI**	**Principal balance value at our share[4]**	**Cash Coupon[6]**	**All-in yield[7]**	**Remaining term[8]**	**Extended remaining term[9]**
Senior loans[1]	56	$ 1,597,868	$ 9,176	$ 1,588,692	$ 1,594,386	$ 17,838	$ 1,576,548	6.8%	7%	1.2	2.9
Mezzanine loans[2]	22	534,776	9,177	525,599	523,954	9,201	514,753	10.4%	11.6%	2.1	3.2
Preferred equity[3]	5	182,549	—	182,549	134,874	—	134,874	12.4%	9.6%	7.5	7.6
Total / Weighted average	83	$ 2,315,193	$ 18,353	$ 2,296,840	$ 2,253,214	$ 27,039	$ 2,226,175	8.0%	8.2%	1.9	3.3

(1) Senior mortgage loans include junior participations in our originated senior mortgage loans for which we have syndicated the senior participations to other investors and retained the junior participations for our portfolio and contiguous mezzanine loans where we own both the senior and junior loan positions. We believe these investments are more similar to the senior mortgage loans we originate than other loan types given their credit quality and risk profile.
(2) Mezzanine loans include other subordinated loans.
(3) Preferred equity balances include $41.9 million of book value at our share attributable to related equity participation interests.
(4) Book and principal value at our share represents the proportionate book and principal value based on our ownership by asset.
(5) Weighted average metrics weighted by book value at our share, except for cash coupon which is weighted by principal balance value at our share.
(6) Represents the stated coupon on loans; for floating rate loans, assumes USD 1-month LIBOR, which was 1.88% as of March 31, 2018.
(7) In addition to cash coupon, all-in yield includes non-cash payment in-kind interest income and the accrual of both extension and exit fees. All-in yield for the loan portfolio assumes the applicable floating benchmark rate as of March 31, 2018 for weighted average calculations.
(8) Represents the remaining term based on the current contractual maturity date of loans.
(9) Represents the remaining term based on a maximum maturity date assuming all extension options on loans are exercised by the borrower term based on a maximum maturity date assuming all extension options on loans are exercised by the borrower.

The following table details our loan portfolio by rate-type as of March 31, 2018 (dollars in thousands):

		Book Value			Principal Balance			Unfunded Loan Commitments			Weighted Average[2]			
	Number of loans	**Book value**	**NCI**	**Book value at our share[1]**	**Principal balance**	**NCI**	**Principal balance at our share[1]**	**Unfunded loan commitments**	**NCI**	**Unfunded loan commitments at our share[1]**	**Spread to LIBOR**	**All-in yield[3]**	**Remaining term[4]**	**Extended remaining term[5]**
Floating rate loans	62	$ 1,784,144	$ 18,191	$ 1,765,953	$ 1,770,004	$ 18,159	$ 1,751,845	$ 70,117	$ 533	$ 69,584	5.4%	7.3%	1.2	2.9
Fixed rate loans[6]	21	531,049	162	530,887	483,210	8,880	474,330	1,712	—	1,712	—%	11.2%	4.4	4.9
Total/ Weighted average	83	$ 2,315,193	$ 18,353	$ 2,296,840	$ 2,253,214	$ 27,039	$ 2,226,175	$ 71,829	$ 533	$ 71,296	4.3%	8.2%	1.9	3.3

(1) Book value at our share represents the proportionate book value, principal value, and unfunded loan commitments based on our ownership by asset. Principal balance at our share represents the proportionate principal value based on our ownership by asset.
(2) Weighted average metrics weighted by book value at our share, except for spread to LIBOR which is weighted by principal balance value at our share.
(3) In addition to cash coupon, all-in yield includes the amortization of deferred origination fees, purchase price premium and discount, loan origination costs and accrual of both extension and exit fees. All-in yield for the loan portfolio assumes the applicable floating benchmark rate as of March 31, 2018 for weighted average calculations.
(4) Represents the remaining term in years based on the original maturity date or current extension maturity date of loans.
(5) Represents the remaining term in years based on a maximum maturity date assuming all extension options on loans are exercised by the borrower.
(6) Includes preferred equity investments.

The following table details the types of properties securing our loan portfolio and geographic distribution as of March 31, 2018 (dollars in thousands):

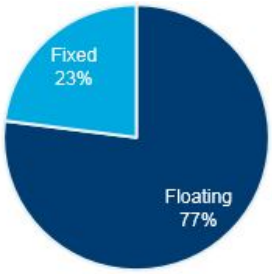
Collateral property type	Book value	NCI	Book value at our share[1]	% of total
Office	$ 222,378	$ 4,212	$ 218,166	10%
Multifamily	319,104	—	319,104	14%
Industrial	163,586	—	163,586	7%
Hotel	922,993	7,337	915,656	40%
Retail	472,756	6,357	466,399	20%
Other[2]	214,376	447	213,929	9%
Total	$ 2,315,193	$ 18,353	$ 2,296,840	100%

Region	Book value	NCI	Book value at our share[1]	% of total
West	$ 964,523	$ 10,301	$ 954,222	42%
Northeast	512,648	2,376	510,272	22%
Southwest	237,576	850	236,726	10%
Southeast	412,561	3,089	409,472	18%
Midwest	167,260	1,737	165,523	7%
Other[3]	20,625	—	20,625	1%
Total	$ 2,315,193	$ 18,353	$ 2,296,840	100%

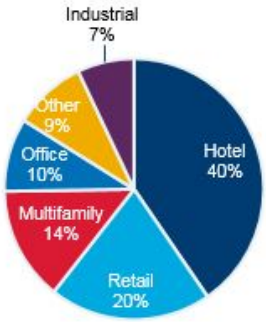
(1) Book value at our share represents the proportionate book value based on our ownership by asset.
(2) Other includes manufactured housing communities and commercial and residential development and predevelopment assets.
(3) Other includes one non U.S. collateral asset.

The following charts illustrate the diversification of our loan portfolio based on interest rate category, property type, and geography as of March 31, 2018 (percentages based on book value at our share, which represents the proportionate book value based on our ownership by asset):

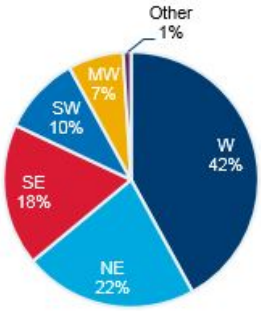
Fixed Floating



Property Type



Geography



In March 2018, the borrower on our $260.2 million NY hospitality loan failed to make its interest payment. We have placed the loan on non-accrual status and have commenced discussions with the borrower to resolve the matter. No provision for loan loss was recorded during the three months ended March 31, 2018 as we believe sufficient collateral value exists to cover the outstanding loan balances. These discussions typically include numerous points of negotiation as we and the borrower work towards a settlement or other alternative resolution, which can impact the potential for loan repayment or receipt of collateral.

CRE Debt Securities

The following table presents an overview of our CRE debt securities portfolio as of March 31, 2018 (dollars in thousands):

CRE Debt Securities by ratings category[1]	Number of Securities	Book value	NCI	Book value at our share[2]	Weighted Average[3]		
					Cash coupon	Weighted Average term	Ratings
Investment grade rated	29	$ 173,911	$ —	$ 173,911	3.3%	8.2	BBB-
Non-investment grade rated	10	118,842	32,719	86,123	4.2%	6	BB-
Non-rated	3	58,143	—	58,143	4.3%	5.3	—
Total/Weighted Average	42	$ 350,896	$ 32,719	$ 318,177	3.7%	7.1	—

(1) As of March 31, 2018, all CRE debt securities consisted of CMBS.
(2) Book value at our share represents the proportionate book value based on our ownership by asset; at our share values for securitization assets are presented net of the impact from consolidation.
(3) Weighted average metrics weighted by book value at our share, except for cash coupon which is weighted by principal balance value at our share.

Owned Real Estate

Our operating real estate investment strategy focuses on direct ownership in commercial real estate with an emphasis on properties with stable cash flow, which may be structurally senior to a third-party partner's equity. In addition, we may own operating real estate investments through joint ventures with one or more partners. As part of our real estate properties strategy, we explore a variety of real estate investments including multi-tenant office, multifamily, student housing and industrial. These properties are typically well-located with strong operating partners and we believe offer both attractive cash flow and returns.

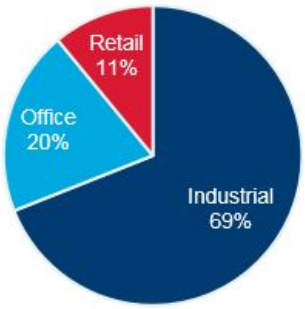
As of March 31, 2018, $1.6 billion, or 21.3%, of our assets were invested in real estate properties and our portfolio was 93% occupied. The following table presents our real estate property investments as of March 31, 2018 (dollars in thousands):

Property Type	Book value	NCI	Book value at our share(1)	% of total	Number of Properties	Number of Buildings	Total Square Feet	Units	% leased	Weighted average lease term(2)	Total annualized base rent(3)
Net lease											
Industrial	$ 504,329	$ 35,077	$ 469,252	31%	45	45	8,792,792	—	95%	3.8	$ 35,264
Office	136,678	—	136,678	9%	4	4	841,689	—	75%	4.4	$ 8,042
Retail	72,566	—	72,566	5%	10	10	467,971	—	100%	5.2	$ 5,704
Total net-lease	713,573	35,077	678,496	45%	59	59	10,102,452	—	91%	4.0	$ 49,010
Other											
Office	606,791	70,942	535,849	38%	16	33	2,600,882	—	89%	4.6	$ 55,258
Multifamily	279,952	63,711	216,241	17%	6	107	—	3,721	92%	n/a	$ 30,369
Other(4)	8,009	281	7,728	—%	1	1	n/a	n/a	n/a	n/a	n/a
Total other	894,752	134,934	759,818	55%	23	141	2,600,882	3,721	90%	4.6	$ 85,628
Total	$ 1,608,325	$ 170,011	$ 1,438,314	100%	82	200	12,703,334	3,721	91%	4.3	$ 134,637

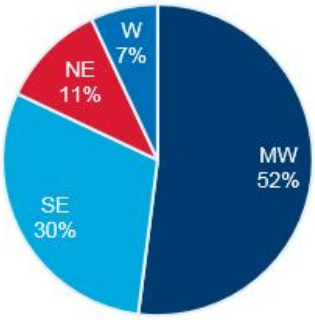
(1) Book value at our share represents the proportionate book value based on our ownership by asset.
(2) The calculation of weighted average lease term is based on leases in-place (defined as occupied and paying leases) as of March 31, 2018; assumes that no renewal options are exercised and is weighted by book value at our share.
(3) Total annualized base rent is based on in-place leases multiplied by 12, excluding straight-line adjustments and rent concessions as of March 31, 2018.
(4) Other owned real estate includes hotel assets and residential development and predevelopment assets.

The following charts illustrate the diversification of our net lease real estate portfolio based on property type and geography as of March 31, 2018 (percentages based on book value at our share, which represents the proportionate book value based on our ownership by asset):

Property Type

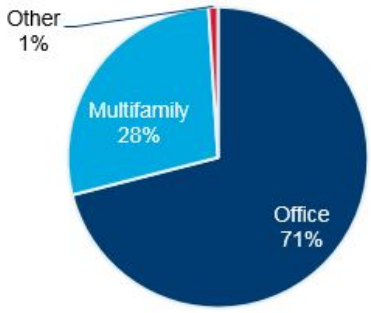


Geography

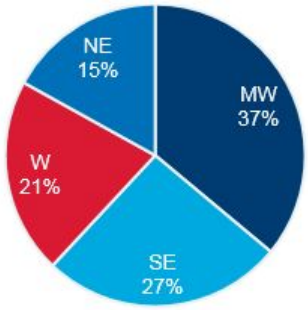


The following charts illustrate the diversification of our other real estate portfolio based on property type and geography as of March 31, 2018 (percentages based on book value at our share, which represents the proportionate book value based on our ownership by asset):

Property Type



Geography



Non-GAAP Supplemental Financial Measures

Core Earnings

We present Core Earnings, which is a non-GAAP supplemental financial measure of our performance. We believe that Core Earnings provides meaningful information to consider in addition to our net income and cash flow from operating activities determined in accordance with U.S. GAAP. This supplemental financial measure helps us to evaluate our performance excluding the effects of certain transactions and U.S GAAP adjustments that we believe are not necessarily indicative of our current portfolio and operations. We also use Core Earnings to determine the incentive fees we pay to our Manager. For information on the fees we pay our Manager, see Note 11, “Related Party Arrangements” to our condensed consolidated financial statements included in this Form 10-Q. In addition, the Company believes that its investors also use Core Earnings or a comparable supplemental performance measure to evaluate and compare the performance of the Company and its peers, and as such, the Company believes that the disclosure of Core Earnings is useful to its investors.

We define Core Earnings as U.S. GAAP net income (loss) attributable to our common stockholders (or, without duplication, the owners of the common equity of our direct subsidiaries, such as our OP) and excluding (i) non-cash equity compensation expense, (ii) the expenses incurred in connection with our formation, (iii) the incentive fee, (iv) acquisition costs from successful acquisitions, (v) depreciation and amortization, (vi) any unrealized gains or losses or other similar non-cash items that are included in net income for the current quarter, regardless of whether such items are included in other comprehensive income or loss, or in net income, (vii) one-time events pursuant to changes in U.S. GAAP and (viii) certain material non-cash income or expense items that in the judgment of management should not be included in Core Earnings. For clauses (vii) and (viii), such exclusions shall only be applied after discussions between our Manager and our independent directors and after approval by a majority of our independent directors.

Core Earnings does not represent net income or cash generated from operating activities and should not be considered as an alternative to U.S. GAAP net income or an indication of our cash flows from operating activities determined in accordance with U.S. GAAP, a measure of our liquidity, or an indication of funds available to fund our cash needs, including our ability to make cash distributions. In addition, our methodology for calculating Core Earnings may differ from methodologies employed by other companies to calculate the same or similar non-GAAP supplemental financial measures, and accordingly, our reported Core Earnings may not be comparable to the Core Earnings reported by other companies.

The following table presents a reconciliation of net income (loss) attributable to common stockholders to Core Earnings attributable to common stockholders (dollars and share amounts in thousands, except per share data):

	Three Months Ended March 31,	
	2018	2017
Net income (loss) attributable to Colony NorthStar Credit Real Estate, Inc. common stockholders	$ (4,714)	$ 22,886
Adjustments:		
Net income (loss) attributable to noncontrolling interest of the Operating Partnership	(57)	—
Non-cash equity compensation expense	285	—
Transaction costs	30,179	—
Depreciation and amortization	18,834	2,250
Net unrealized gain (loss) on investments	1,304	—
Adjustments related to non-controlling interests	(1,442)	—
Core Earnings attributable to Colony NorthStar Credit Real Estate, Inc. common stockholders	$ 44,389	$ 25,136
Core Earnings per share[(1)]	$ 0.44	$ 0.53
Weighted average number of common shares and OP units[(1)]	101,737	47,475

(1) We calculate core earnings per share, a non-GAAP financial measure, based on a weighted-average number of common shares and OP units (held by members other than us or our subsidiaries). For Core Earnings per share, we assume the 44.4 million shares of class B-3 common stock and the 3.1 million OP units (held by members other than us or our subsidiaries) were outstanding prior to January 31, 2018 to reflect the standalone pre-merger financial information of the accounting acquirer. Following January 31, 2018, we assume approximately 131.0 million of shares of class A common stock, class B-3 common stock and OP units (held by members other than us or our subsidiaries) were outstanding. This results in a weighted average share count for the three months ended March 31, 2018 of approximately 101.7 million shares.

Liquidity and Capital Resources

Overview

Our primary liquidity needs include commitments to repay borrowings, finance our assets and operations, meet future funding obligations, make distributions to our stockholders, repurchase our shares and fund other general business needs. We use significant cash to make additional investments, repay the principal of and interest on our borrowings and pay other financing costs, make distributions to our stockholders and fund our operations, which includes making payments to our Manager in accordance with the management agreement.

Our primary sources of liquidity include cash on hand, cash generated from our operating activities and cash generated from asset sales and investment maturities. However, subject to maintaining our qualification as a REIT and our Investment Company Act exclusion, we may use a number of sources to finance our business, including bank credit facilities (including term loans and revolving facilities), master repurchase facilities and securitizations, as described below. In addition to our current sources of liquidity, we have access to liquidity through public offerings of debt and equity securities. We also expect to invest in a number of our assets through co-investments with other investment vehicles managed by affiliates of our Manager and/or other third parties, which may allow us to pool capital to access larger transactions and diversify investment exposure.

Financing Strategy

We have a multi-pronged financing strategy that includes an up to $400 million secured revolving credit facility, up to approximately $1.3 billion in secured revolving repurchase facilities, non-recourse securitization financing, commercial mortgages and other asset-level financing structures. In addition, we may use other forms of financing, including additional warehouse facilities, public and private secured and unsecured debt issuances and equity or equity-related securities issuances by us or our subsidiaries. We may also finance a portion of our investments through the syndication of one or more interests in a whole loan or securitization. We will seek to match the nature and duration of the financing with the underlying asset's cash flow, including through the use of hedges, as appropriate.

Debt-to-Equity Ratio

The following table presents our debt-to-equity ratio:

	March 31, 2018	December 31, 2017
Debt-to-equity ratio[(1)]	0.4x	0.3x

(1) Represents (i) total outstanding secured debt less cash to (ii) total stockholders' equity, in each case, at period end.

The following table presents our total sources of liquidity as of March 31, 2018 (dollars in thousands):

Total Sources of Corporate Liquidity		
Cash and cash equivalents	$	334,952
Bank credit facility availability		400,000
Loans held for investment payoff due from servicer[(1)]		14,333
Total sources of corporate liquidity	$	749,285

(1) Represents proceeds from a loan repayment by the borrower to our third-party servicer, but not yet received by us as of March 31, 2018. We received this loan repayment from our third-party servicer in April 2018, net of the related secured debt balance.

Potential Sources of Liquidity

Bank Credit Facilities

We use bank credit facilities (including term loans and revolving facilities) to finance our business. These financings may be collateralized or non-collateralized and may involve one or more lenders. Credit facilities typically have maturities ranging from two to five years and may accrue interest at either fixed or floating rates.

On February 1, 2018, the OP (together with certain subsidiaries of the OP from time to time party thereto as borrowers, collectively, the "Borrowers") entered into a credit agreement (the "Bank Credit Facility") with JPMorgan Chase Bank, N.A., as administrative agent, and the several lenders from time to time party thereto (the "Lenders"), pursuant to which the Lenders agreed to provide a revolving credit facility in the aggregate principal amount of up to $400.0 million.

Advances under the Bank Credit Facility accrue interest at a per annum rate equal to, at the applicable Borrower's election, either a LIBOR rate plus a margin of 2.25%, or a base rate determined according to a prime rate or federal funds rate plus a margin of 1.25%. An unused commitment fee at a rate of 0.25% or 0.35%, per annum, depending on the amount of facility utilization, applies to un-utilized borrowing capacity under the Bank Credit Facility. Amounts owing under the Bank Credit Facility may be prepaid at any time without premium or penalty, subject to customary breakage costs in the case of borrowings with respect to which a LIBOR rate election is in effect.

The maximum amount available for borrowing at any time under the Bank Credit Facility is limited to a borrowing base valuation of certain investment assets, with the valuation of such investment assets generally determined according to a percentage of adjusted net book value. As of the date hereof, the borrowing base valuation is sufficient to permit borrowings of up to the entire $400.0 million commitment. The ability to borrow additional amounts under the Bank Credit Facility terminates on February 1, 2022, at which time the OP may, at its election and by written notice to the administrative agent, extend the termination date for two (2) additional terms of six (6) months each, subject to the terms and conditions in the Bank Credit Facility, resulting in a latest termination date of February 1, 2023.

The obligations of the Borrowers under the Bank Credit Facility are guaranteed pursuant to a Guarantee and Collateral Agreement with certain subsidiaries of the OP in favor of JPMorgan Chase Bank, N.A. (the "Guarantee and Collateral Agreement") by substantially all material wholly owned subsidiaries of the OP and, subject to certain exceptions, secured by a pledge of substantially all equity interests owned by the Borrowers and the guarantors, as well as by a security interest in deposit accounts of the Borrowers and the Guarantors (as such terms are defined in the Guarantee and Collateral Agreement) in which the proceeds of investment asset distributions are maintained.

The Bank Credit Facility contains various affirmative and negative covenants, including, among other things, the obligation of the Company to maintain REIT status and be listed on the NYSE, and limitations on debt, liens and restricted payments. In addition, the Bank Credit Facility includes the following financial covenants applicable to the OP and its consolidated subsidiaries: (a) minimum consolidated tangible net worth of the OP greater than or equal to the sum of (i) $2.105 billion and (ii) 50% of the proceeds received by the OP from any offering of its common equity and of the proceeds from any offering by the Company of its common equity to the extent such proceeds are contributed to the OP, excluding any such proceeds that are contributed to the OP within ninety (90) days of receipt and applied to acquire capital stock of the OP; (b) the OP's earnings before interest, income tax, depreciation, and amortization ("EBITDA") plus lease expenses to fixed charges for any period of four (4) consecutive fiscal quarters not less than 1.50 to 1.00; (c) the OP's minimum interest coverage ratio not less than 3.00 to 1.00; and (d) the OP's ratio of consolidated total debt to consolidated total assets must not exceed 0.70 to 1.00. The Bank Credit Facility also includes customary events of default, including, among other things, failure to make payments when due, breach of covenants or representations, cross default to material indebtedness or material judgment defaults, bankruptcy matters involving any Borrower or any Guarantor and certain change of control events. The occurrence of an event of default will limit the ability of the OP and its subsidiaries to make distributions and may result in the termination of the credit facility, acceleration of repayment obligations and the exercise of remedies by the Lenders with respect to the collateral.

Master Repurchase Facilities

Currently, our primary source of financing is our master repurchase facilities, which we use to finance the origination of senior loans. Repurchase agreements effectively allow us to borrow against loans, participations and securities that we own in an amount generally equal to (i) the market value of such loans, participations and/or securities multiplied by (ii) the applicable advance rate. Under these agreements, we sell our loans, participations and securities to a counterparty and agree to repurchase the same loans and securities from the counterparty at a price equal to the original sales price plus an interest factor. During the term of a repurchase agreement, we receive the principal and interest on the related loans, participations and securities and pay interest to the lender under the master repurchase agreement. We intend to maintain formal relationships with multiple counterparties to obtain master repurchase financing on favorable terms.

The following table presents a summary of our master repurchase facilities as of March 31, 2018 (dollars in thousands):

	Maximum Facility Size	Current Borrowings	Weighted Average Final Maturity (Years)	Weighted Average Interest Rate
Master Repurchase Facilities				
Bank 1	$ 300,000	$ 91,590	2.4	LIBOR + 2.39%
Bank 2	400,000	26,742	1.3	LIBOR + 2.35%
Bank 3	500,000	382,928	(1)	LIBOR + 2.39%
Total Master Repurchase Facilities	1,200,000	501,260		
CMBS Credit Facilities				
Bank 1	39,753	39,753	(2)	LIBOR + 1.45%
Bank 5	2,546	2,546	(2)	LIBOR + 1.16%
Bank 6	58,718	58,718	(2)	LIBOR + 1.30%
Bank 3	—	—	—	
Bank 4	—	—	—	
Total CMBS Credit Facilities	101,017	101,017		
Bank Credit Facility	400,000	—	4.8	
Total Facilities	$ 1,701,017	$ 602,277		

(1) The initial maturity is October 2018 and June 2019 for Bank 3 Facility 1 and Facility 2, respectively. The Company may, at its option, extend the facility for one-year periods indefinitely, subject to the approval of Bank 3.
(2) The maturity dates on CMBS Credit Facilities are dependent upon asset type and will typically range from three to six months.

Securitizations

We may seek to utilize non-recourse long-term securitizations of our investments in mortgage loans, especially loan originations, to the extent consistent with the maintenance of our REIT qualification and exclusion from the Investment Company Act in order to generate cash for funding new investments. This would involve conveying a pool of assets to a special purpose vehicle (or the issuing entity), which would issue one or more classes of non-recourse notes pursuant to the terms of an indenture. The notes would be secured by the pool of assets. In exchange for the transfer of assets to the issuing entity, we would receive the cash proceeds on the sale of non-recourse notes and a 100% interest in the equity of the issuing entity. The securitization of our portfolio investments might magnify our exposure to losses on those portfolio investments because any equity interest we retain in the issuing entity would be subordinate to the notes issued to investors and we would, therefore, absorb all of the losses sustained with respect to a securitized pool of assets before the owners of the notes experience any losses.

Other potential sources of financing

In the future, we may also use other sources of financing to fund the acquisition of our target assets, including secured and unsecured forms of borrowing and selective wind-down and dispositions of assets. We may also seek to raise equity capital or issue debt securities in order to fund our future investments.

Cash Flows

The following presents a summary of our consolidated statements of cash flows for the three months ended March 31, 2018 and 2017 (dollars in thousands):

	Three Months Ended March 31,		
Cash flow provided by (used in):	**2018**	**2017**	**Change**
Operating activities	$ 17,276	$ 31,170	$ (13,894)
Investing activities	340,003	38,287	301,716
Financing activities	(47,531)	(43,658)	(3,873)
Net change in cash and cash equivalents	$ 309,748	$ 25,799	$ 283,949

Comparison of the Three Months Ended March 31, 2018 to 2017

Operating Activities

Net cash provided by operating activities decreased $13.9 million from $31.2 million for the three months ended March 31, 2017 to $17.3 million for the three months ended March 31, 2018, primarily as a result of transaction costs paid in connection with the Combination.

Investing Activities

Net cash provided by investing activities increased $301.7 million from $38.3 million for the three months ended March 31, 2017 to $340.0 million for the three months ended March 31, 2018. Cash flows from investing activities for the three months ended March 31, 2018 primarily consist of repayment on loans held for investment in the amount of $115.7 million, cash received in the Combination in the amount of $225.2 million, and distributions in excess of cumulative earnings from unconsolidated ventures in the amount of $21.7 million, partially offset by payments for improvements of real estate in the amount of $2.7 million and acquisition of real estate securities, available for sale in the amount of $11.8 million.

Financing Activities

Net cash used in financing activities increased $3.9 million from $43.7 million for the three months ended March 31, 2017 to $47.5 million for the three months ended March 31, 2018. Cash flows used in financing activities for the three months ended March 31, 2018 primarily consist of repayment of mortgage notes in the amount of $0.8 million, repayment of credit facilities in the amount of $71.7 million, distributions paid on common stock in the amount of $18.8 million, and repayment of securitization bonds in the amount of $17.5 million, partially offset by borrowings from mortgage notes in the amount of $41.8 million and borrowing from credit facilities in the amount of $25.1 million.

Contractual Obligations, Commitments and Contingencies of the Company

The following table sets forth the known contractual obligations of the Company on an undiscounted basis. This table excludes obligations of the Company that are not fixed and determinable, including the Management Agreement (dollars in thousands):

	Payments Due by Period				
	Total	**Less than a Year**	**1-3 Years**	**3-5 Years**	**More than 5 Years**
Secured debt[1]	$ 1,531,875	$ 103,185	$ 230,627	$ 130,547	$ 1,067,516
Securitization bonds payable[2]	172,145	—	—	—	172,145
Ground lease obligations[3]	15,157	2,821	5,607	4,227	2,502
	1,719,177	$ 106,006	$ 236,234	$ 134,774	$ 1,242,163
Lending commitments[4]	68,258				
Total	$ 1,787,435				

(1) Amounts include minimum principal or principal curtailment based upon cash flows from collateral loans after payment of certain loan servicing fees and monthly interest, as well as fixed or floating rate interest obligations through the initial maturity date of the respective secured and unsecured debt. Interest on floating rate debt was determined based on the applicable index at March 31, 2018.

(2) The timing of future principal payments was estimated based on expected future cash flows of underlying collateral loans. Repayments are estimated to be earlier than contractual maturity only if proceeds from underlying loans are repaid by the borrowers.

(3) The Company assumed noncancellable operating ground leases as lessee or sublessee in connection with net lease properties acquired through the CLNS Contributions. The amounts represent minimum future base rent commitments through initial expiration dates of the respective leases, excluding any contingent rent payments. Rents paid under ground leases are recoverable from tenants.

(4) Future lending commitments may be subject to certain conditions that borrowers must meet to qualify for such fundings. Commitment amount assumes future fundings meet the terms to qualify for such fundings.

Guarantees and Off-Balance Sheet Arrangements

As of March 31, 2018, we are not dependent on the use of any off-balance sheet financing arrangements for liquidity. We have made investments in unconsolidated ventures. Refer to Note 5, “Investments in Unconsolidated Ventures” in Item 1. “Financial Statements” for a discussion of such unconsolidated ventures in our consolidated financial statements. In each case, our exposure to loss is limited to the carrying value of our investment.

Our Investment Strategy

Our objective is to generate consistent and attractive risk-adjusted returns to our stockholders. We seek to achieve this objective primarily through cash distributions and the preservation of invested capital and secondarily through capital appreciation. We believe our diversified investment strategy across the CRE capital stack provides flexibility through economic cycles to achieve attractive risk-adjusted returns. This approach is driven by a disciplined investment strategy, focused on:

- capitalizing on asset level underwriting experience and market analytics to identify investments with pricing dislocations and attractive risk-return profiles;
- originating and structuring CRE senior mortgage loans, mezzanine loans and preferred equity with attractive return profiles relative to the underlying value and financial operating performance of the real estate collateral, given the strength and quality of the sponsorship;
- identifying appropriate CRE debt securities investments based on the performance of the underlying real estate assets, the impact of such performance on the credit return profile of the investments and our expected return on the investments;
- identifying net leased real estate investments based on property location and purpose, tenant credit quality, market lease rates and potential appreciation of, and alternative uses for, the real estate;
- creating capital appreciation opportunities through active asset management and equity participation opportunities; and
- structuring transactions with a prudent amount of leverage, if any, given the risk of the underlying asset’s cash flows, attempting to match the structure and duration of the financing with the underlying asset’s cash flows, including through the use of hedges, as appropriate.

The period for which we intend to hold our investments will vary depending on the type of asset, interest rates, investment performance, micro and macro real estate environment, capital markets and credit availability, among other factors. We generally expect to hold debt investments until the stated maturity and equity investments in accordance with each investment’s proposed business plan. We may sell all or a partial ownership interest in an investment before the end of the expected holding period if we believe that market conditions have maximized its value to us or the sale of the asset would otherwise be in the best interests of our stockholders.

Our investment strategy is dynamic and flexible, enabling us to adapt to shifts in economic, real estate and capital market conditions and to exploit market inefficiencies. We may expand or change our investment strategy or target assets over time in response to opportunities available in different economic and capital market conditions. This flexibility in our investment strategy allows us to employ a customized, solutions-oriented approach, which we believe is attractive to borrowers and tenants. We believe that our diverse portfolio, our ability to originate, acquire and manage our target assets and the flexibility of our investment strategy positions us to capitalize on market inefficiencies and generate attractive long-term risk-adjusted returns for our stockholders through a variety of market conditions and economic cycles.

Underwriting, Asset and Risk Management

Our Manager closely monitors our portfolio and actively manages risks associated with, among other things, our assets and interest rates. Prior to investing in any particular asset, our Manager’s underwriting team, in conjunction with third party providers, undertakes a rigorous asset-level due diligence process, involving intensive data collection and analysis, to ensure that we understand fully the state of the market and the risk-reward profile of the asset. Prior to making a final investment decision, our Manager focuses on portfolio diversification to determine whether a target asset will cause our portfolio to be too heavily concentrated with, or cause too much risk exposure to, any one borrower, real estate sector, geographic region, source of cash flow for payment or other geopolitical issues. If our Manager determines that a proposed acquisition presents excessive concentration risk, it may determine not to acquire an otherwise attractive asset.

For each asset that we acquire, our Manager’s asset management team engages in active management of the asset, the intensity of which depends on the attendant risks. The asset manager works collaboratively with the underwriting team to formulate a strategic plan for the particular asset, which includes evaluating the underlying collateral and updating valuation assumptions to reflect changes in the real estate market and the general economy. This plan also generally outlines several strategies for the asset to extract the maximum amount of value from each asset under a variety of market conditions. Such strategies may vary depending

on the type of asset, the availability of refinancing options, recourse and maturity, but may include, among others, the restructuring of non-performing or sub-performing loans, the negotiation of discounted pay-offs or other modification of the terms governing a loan, and the foreclosure and management of assets underlying non-performing loans in order to reposition them for profitable disposition. Our Manager and its affiliates will continuously track the progress of an asset against the original business plan to ensure that the attendant risks of continuing to own the asset do not outweigh the associated rewards.

Our Manager's asset management team engages in a proactive and comprehensive on-going review of the credit quality of each asset it manages. In particular for debt investments, on at least an annual basis, the asset management team will evaluate the financial wherewithal of individual borrowers to meet contractual obligations as well as review the financial stability of the assets securing such debt investments. Further, there is ongoing review of borrower covenant compliance including the ability of borrowers to meet certain negotiated debt service coverage ratios and debt yield tests. For equity investments, the asset management team, with the assistance of third party property managers, monitors and reviews key metrics such as occupancy, same store sales, tenant payment rates, property budgets and capital expenditures. If through this analysis of credit quality, the asset management team encounters declines in credit not in accord with the original business plan, the team evaluates the risks and determine what changes, if any, are required to the business plan to ensure that the attendant risks of continuing to hold the investment do not outweigh the associated rewards.

In addition, the audit committee, in consultation with management, periodically reviews our policies with respect to risk assessment and risk management, including key risks to which we are subject, including credit risk, liquidity risk and market risk, and the steps that management has taken to monitor and control such risks.

Inflation

Virtually all of our assets and liabilities are interest rate sensitive in nature. As a result, interest rates and other factors influence our performance significantly more than inflation does. A change in interest rates may correlate with the inflation rate. Substantially all of the leases at our multifamily and student housing properties allow for monthly or annual rent increases which provide us with the opportunity to achieve increases, where justified by the market, as each lease matures. Such types of leases generally minimize the risks of inflation on our multifamily and student housing properties.

Refer to Item 3, "Quantitative and Qualitative Disclosures About Market Risk" for additional details.

Critical Accounting Policies

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States, or U.S. GAAP, which requires the use of estimates and assumptions that involve the exercise of judgment and that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. There have been no material changes to our critical accounting policies since the filing of our Annual Report on Form 10-K for the fiscal year ended December 31, 2017.

Recent Accounting Pronouncements

For recent accounting pronouncements, refer to Note 2, "Summary of Significant Accounting Policies" in our accompanying consolidated financial statements included in Part I Item 1. "Financial Statements."

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our primary market risks are interest rate risk, prepayment risk, extension risk, credit risk, real estate market risk and capital market risk, either directly through the assets held or indirectly through investments in unconsolidated ventures.

Interest Rate Risk

Interest rate risk relates to the risk that the future cash flow of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk is highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations and other factors beyond our control. Credit curve spread risk is highly sensitive to the dynamics of the markets for loans and securities we hold. Excessive supply of these assets combined with reduced demand will cause the market to require a higher yield. This demand for higher yield will cause the market to use a higher spread over the U.S. Treasury securities yield curve, or other benchmark interest rates, to value these assets.

As U.S. Treasury securities are priced to a higher yield and/or the spread to U.S. Treasuries used to price the assets increases, the price at which we could sell some of our fixed rate financial assets may decline. Conversely, as U.S. Treasury securities are priced to a lower yield and/or the spread to U.S. Treasuries used to price the assets decreases, the value of our fixed rate financial assets may increase. Fluctuations in LIBOR may affect the amount of interest income we earn on our floating rate borrowings and interest expense we incur on borrowings indexed to LIBOR, including under credit facilities and investment-level financing.

We utilize a variety of financial instruments on some of our investments, including interest rate swaps, caps, floors and other interest rate exchange contracts, in order to limit the effects of fluctuations in interest rates on their operations. The use of these types of derivatives to hedge interest-earning assets and/or interest-bearing liabilities carries certain risks, including the risk that losses on a hedge position will reduce the funds available for distribution and that such losses may exceed the amount invested in such instruments. A hedge may not perform its intended purpose of offsetting losses of rising interest rates. Moreover, with respect to certain of the instruments used as hedges, there is exposure to the risk that the counterparties may cease making markets and quoting prices in such instruments, which may inhibit the ability to enter into an offsetting transaction with respect to an open position. Our profitability may be adversely affected during any period as a result of changing interest rates.

As of March 31, 2018, a hypothetical 100 basis point increase in the applicable interest rate benchmark on our loan portfolio would increase interest income by $10.4 million annually, net of interest expense.

Prepayment risk

Prepayment risk is the risk that principal will be repaid at a different rate than anticipated, resulting in a less than expected return on an investment. As prepayments of principal are received, any premiums paid on such assets are amortized against interest income, while any discounts on such assets are accreted into interest income. Therefore, an increase in prepayment rates has the following impact: (i) accelerates amortization of purchase premiums, which reduces interest income earned on the assets; and conversely, (ii) accelerates accretion of purchase discounts, which increases interest income earned on the assets.

Extension risk

The weighted average life of assets is projected based on assumptions regarding the rate at which borrowers will prepay or extend their mortgages. If prepayment rates decrease or extension options are exercised by borrowers at a rate that deviates significantly from projections, the life of fixed rate assets could extend beyond the term of the secured debt agreements. This in turn could negatively impact liquidity to the extent that assets may have to be sold and losses may be incurred as a result.

Credit risk

Investment in loans receivable is subject to a high degree of credit risk through exposure to loss from loan defaults. Default rates are subject to a wide variety of factors, including, but not limited to, borrower financial condition, property performance, property management, supply/demand factors, construction trends, consumer behavior, regional economics, interest rates, the strength of the U.S. economy and other factors beyond our control. All loans are subject to a certain probability of default. We manage credit risk through the underwriting process, acquiring investments at the appropriate discount to face value, if any, and establishing loss assumptions. Performance of the loans is carefully monitored, including those held through joint venture investments, as well as external factors that may affect their value.

We are also subject to the credit risk of the tenants in our properties. We seek to undertake a rigorous credit evaluation of the tenants prior to acquiring properties. This analysis includes an extensive due diligence investigation of the tenants' businesses, as well as an assessment of the strategic importance of the underlying real estate to the respective tenants' core business operations. Where appropriate, we may seek to augment the tenants' commitment to the properties by structuring various credit enhancement mechanisms into the underlying leases. These mechanisms could include security deposit requirements or guarantees from entities that are deemed credit worthy.

Real estate market risk

We are exposed to the risks generally associated with the commercial real estate market. The market values of commercial real estate are subject to volatility and may be affected adversely by a number of factors, including, but not limited to, national, regional and local economic conditions, as well as changes or weakness in specific industry segments, and other macroeconomic factors beyond our control, which could affect occupancy rates, capitalization rates and absorption rates. This in turn could impact the performance of tenants and borrowers. We seek to manage these risks through their underwriting due diligence and asset management processes.

Capital markets risk

We are exposed to risks related to the debt capital markets, specifically the ability to finance our business through borrowings under secured revolving repurchase facilities, secured and unsecured warehouse facilities or other debt instruments. We seek to mitigate these risks by monitoring the debt capital markets to inform their decisions on the amount, timing and terms of their borrowings.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

We maintain disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to assure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Security and Exchange Commission's ("SEC's") rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

As required by Rule 13a-15(b) under the Exchange Act, our management carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that as of March 31, 2018, our disclosure controls and procedures were effective at the reasonable assurance level such that the information required to be disclosed by us in reports that we file under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms.

Internal Control over Financial Reporting

Changes in Internal Control over Financial Reporting.

There have not been any changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the most recent fiscal quarter that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. Other Information

Item 1. Legal Proceedings

We may be involved in various litigation matters arising in the ordinary course of our business. Although we are unable to predict with certainty the eventual outcome of any litigation, in the opinion of management, any current legal proceedings are not expected to have a material adverse effect on our financial position or results of operations.

Item 1A. Risk Factors

There are no material changes from the risk factors previously disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 as filed with the SEC on March 23, 2018.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Repurchase of Equity Securities

During the three months ended March 31, 2018, we did not repurchase any shares of our common stock.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable

Item 5. Other Information

On April 23, 2018, we terminated the following agreements in connection with entering into that certain Master Repurchase Agreement, dated as of April 23, 2018, by and among NSREIT CB Loan, LLC, CB Loan NT-II, LLC, CLNC Credit 3, LLC, CLNC Credit 4, LLC and Citibank, N.A., and that certain Guaranty, made as of April 23, 2018, by the OP for the benefit of Citibank, N.A.: (i) the Master Repurchase Agreement, dated as of July 18, 2012, by and between NSREIT CB Loan, LLC and Citibank, N.A., as amended from time to time (the “NS I Repurchase Agreement”) (ii) the Amended and Restated Limited Guaranty, made as of January 31, 2018, by the OP for the benefit of Citibank, N.A., (iii) the Master Repurchase Agreement, dated as of October 15, 2013, by and between CB Loan NT-11, LLC and Citibank, N.A., as amended from time to time (the “NS II Repurchase Agreement”) and (iv) the Amended and Restated Limited Guaranty, made as of January 31, 2018, by the OP for the benefit of Citibank, N.A.

The NS I Repurchase Agreement provided up to $50.0 million and the NS II Repurchase Agreement provided up to $100.0 million to us, in each case, to finance first mortgage loans and senior loan participations secured by commercial real estate. The OP guaranteed the payment and performance obligations under the respective repurchase agreements.

Item 6. Exhibits

Exhibit Number	Description of Exhibit
2.1	Amended and Restated Master Combination Agreement, dated as of November 20, 2017, among Colony Capital Operating Company, LLC, NRF RED REIT Corp., NorthStar Real Estate Income Trust, Inc., NorthStar Real Estate Income Trust Operating Partnership, LP, NorthStar Real Estate Income II, Inc., NorthStar Real Estate Income Operating Partnership II, LP, Colony NorthStar Credit Real Estate, Inc. and Credit RE Operating Company, LLC (incorporated by reference to Exhibit 2.1 to the Company's Registration Statement on Form S-4 (No. 333-221685) effective December 6, 2017)
3.1	Articles of Amendment and Restatement of Colony NorthStar Credit Real Estate, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (No. 001-38377) filed on February 1, 2018)
3.2	Amended and Restated Bylaws of Colony NorthStar Credit Real Estate, Inc. (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K (No. 001-38377) filed on February 1, 2018)
10.1	Amended and Restated Limited Liability Company Agreement of Credit RE Operating Company, LLC, dated as of January 31, 2018 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (No. 001-38377) filed on February 1, 2018)
10.2	Credit Agreement, dated as of February 1, 2018, by and among Credit RE Operating Company, LLC, the other Subsidiary Borrowers from time to time parties thereto, the Several Lenders from time to time parties thereto and JPMorgan Chase Bank, N.A. (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K (No. 001-38377) filed on February 1, 2018)
10.3	Management Agreement, dated as of January 31, 2018, by and among Colony NorthStar Credit Real Estate, Inc., Credit RE Operating Company, LLC and CLNC Manager, LLC (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K (No. 001-38377) filed on February 1, 2018)
10.4	Stockholders Agreement, dated as of January 31, 2018, by and between Colony Capital Operating Company, LLC and Colony NorthStar Credit Real Estate, Inc. (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K (No. 001-38377) filed on February 1, 2018)
10.5	Registration Rights Agreement, dated as of January 31, 2018, by and among Colony NorthStar Credit Real Estate, Inc., Colony Capital Operating Company, LLC and NRF RED REIT Corp. (incorporated by reference to Exhibit 10.5 to the Company's Form 8-K (No. 001-38377) filed on February 1, 2018)
10.6	Form of Indemnification Agreement, between Colony NorthStar Credit Real Estate, Inc. and the Officers and Directors of the Company (incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K (No. 001-38377) filed on February 1, 2018)
10.7	Colony NorthStar Credit Real Estate, Inc. 2018 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Registration Statement on Form S-8 (No. 333-222812) filed on February 1, 2018)
10.8*	Form of Restricted Stock Agreement to the 2018 Equity Incentive Plan
10.9	Master Repurchase Agreement, dated July 18, 2012, by and between NSREIT CB Loan, LLC and Citibank, N.A. (incorporated by reference to Exhibit 10.1 to NorthStar Real Estate Income Trust, Inc.'s Current Report on Form 8-K (No. 000-54671) filed on July 19, 2012)
10.10	First Amendment to Master Repurchase Agreement, dated as of November 30, 2012, by and among NSREIT CB Loan, LLC, NorthStar Real Estate Income Trust, Inc. and Citibank, N.A. (incorporated by reference to Exhibit 10.1 to NorthStar Real Estate Income Trust, Inc.'s Current Report on Form 8-K (No. 000-54671) filed on December 4, 2012)
10.11	Second Amendment to Master Repurchase Agreement and First Amendment to Limited Guaranty, dated as of April 18, 2013, by and among NSREIT CB Loan, LLC, NorthStar Real Estate Income Trust, Inc. and Citibank, N.A. (incorporated by reference to Exhibit 10.1 to NorthStar Real Estate Income Trust, Inc.'s Current Report on Form 8-K (No. 000-54671) filed on April 23, 2013)
10.12	Third Amendment to Master Repurchase Agreement, dated as of June 30, 2014, by and among NSREIT CB LOAN, LLC and Citibank, N.A., and acknowledged and agreed to by NorthStar Real Estate Income Trust, Inc. (incorporated by reference to Exhibit 10.1 to NorthStar Real Estate Income Trust, Inc.'s Quarterly Report on Form 10-Q (No. 000-54671) filed on November 14, 2014)
10.13	Fourth Amendment to Master Repurchase Agreement, dated as of October 20, 2014, by and among NSREIT CB LOAN, LLC and Citibank, N.A., and acknowledged and agreed to by NorthStar Real Estate Income Trust, Inc. (incorporated by reference to Exhibit 10.1 to NorthStar Real Estate Income Trust, Inc.'s Current Report on Form 8-K (No. 000-54671) filed on October 24, 2014)
10.14	Fifth Amendment to Master Repurchase Agreement, dated as of October 17, 2016, by and among NSREIT CB Loan, LLC and Citibank, N.A., and acknowledged and agreed to by NorthStar Real Estate Income Trust, Inc. (incorporated by reference to Exhibit 10.1 to NorthStar Real Estate Income Trust, Inc.'s Current Report on Form 8-K (No. 000-54671) filed on October 20, 2016)
10.15*	Sixth Amendment to Master Repurchase Agreement, dated as of January 31, 2018, by and among NSREIT CB Loan, LLC and Citibank, N.A.
10.16*	Amended and Restated Limited Guaranty, made as of January 31, 2018, by Credit RE Operating Company, LLC for the benefit of Citibank, N.A.
10.17	Master Repurchase Agreement, dated as of March 11, 2013, by and among NS Income DB Loan, LLC and Deutsche Bank AG, Cayman Islands Branch (incorporated by reference to Exhibit 10.1 to NorthStar Real Estate Income Trust, Inc.'s Current Report on Form 8-K (No. 000-54671) filed on March 12, 2013)

10.18	First Amendment to Master Repurchase Agreement, dated as of October 8, 2013, by and among NS Income DB Loan, LLC and Deutsche Bank AG, Cayman Islands Branch, and acknowledged and agreed to by NS Income DB Loan Member, LLC (incorporated by reference to Exhibit 10.18 to the Company's Annual Report on Form 10-K for the year ended December 31, 2017)
10.19	Second Amendment to Master Repurchase Agreement, dated as of January 6, 2016, by and among NS Income DB Loan, LLC, NorthStar Real Estate Income Trust, Inc., NorthStar Real Estate Income Trust Operating Partnership, LP and Deutsche Bank AG, Cayman Islands Branch, and acknowledged and agreed to by NS Income DB Loan Member, LLC (incorporated by reference to Exhibit 10.19 to the Company's Annual Report on Form 10-K for the year ended December 31, 2017)
10.20*	Third Amendment to Master Repurchase Agreement, dated as of January 31, 2018, by and between NS Income DB Loan, LLC and Deutsche Bank AG, Cayman Islands Branch, and acknowledged and agreed to by Credit RE Operating Company, LLC and NS Income DB Loan Member, LLC
10.21*	Amended and Restated Guaranty, made as of January 31, 2018, by Credit RE Operating Company, LLC for the benefit of Deutsche Bank AG, Cayman Islands Branch
10.22	Master Repurchase Agreement, dated October 15, 2013, by and between CB Loan NT-II, LLC and Citibank, N.A. (incorporated by reference to Exhibit 10.1 to NorthStar Real Estate Income II, Inc.'s Current Report on Form 8-K (No. 333-185640) filed on October 16, 2013)
10.23	First Amendment to Master Repurchase Agreement, dated as of June 30, 2014, by and among CB Loan NT-II, LLC and Citibank, N.A., and acknowledged and agreed to by NorthStar Real Estate Income II, Inc. (incorporated by reference to Exhibit 10.22 to the Company's Annual Report on Form 10-K for the year ended December 31, 2017)
10.24	Second Amendment to Master Repurchase Agreement, dated as of October 14, 2016, by and among CB Loan NT-II, LLC and Citibank, N.A., and acknowledged and agreed to by NorthStar Real Estate Income II, Inc. (incorporated by reference to Exhibit 10.28 to NorthStar Real Estate Income II, Inc.'s Post-Effective Amendment (No. 333-185640) filed on October 17, 2016)
10.25*	Third Amendment to Master Repurchase Agreement, dated as of January 31, 2018, by and among CB Loan NT-II, LLC and Citibank, N.A.
10.26*	Amended and Restated Limited Guaranty, made as of January 31, 2018, by Credit RE Operating Company, LLC for the benefit of Citibank, N.A.
10.27	Master Repurchase Agreement, dated July 2, 2014, by and between DB Loan NT-II, LLC and Deutsche Bank AG, Cayman Islands Branch (incorporated by reference to Exhibit 10.1 to NorthStar Real Estate Income II, Inc.'s Current Report on Form 8-K (No. 000-55189) filed on July 9, 2014)
10.28	First Amendment to Master Repurchase Agreement, dated as of January 6, 2016, by and among DB Loan NT-II LLC, NorthStar Real Estate Income II, Inc., NorthStar Real Estate Income Operating Partnership II, LP and Deutsche Bank AG, Cayman Islands Branch, and acknowledged and agreed to by DB Loan Member NT-II, LLC (incorporated by reference to Exhibit 10.29 to the Company's Annual Report on Form 10-K for the year ended December 31, 2017)
10.29*	Second Amendment to Master Repurchase Agreement, dated as of January 31, 2018, by and between DB Loan NT-II LLC, and Deutsche Bank AG, Cayman Islands Branch, and acknowledged and agreed to by Credit RE Operating Company, LLC, and DB Loan Member NT-II, LLC
10.30*	Amended and Restated Guaranty, made as of January 31, 2018, by Credit RE Operating Company, LLC for the benefit of Deutsche Bank AG, Cayman Islands Branch
10.31	Amended and Restated Master Repurchase and Securities Contract Agreement, dated as of April 20, 2018, by and among MS Loan NT-I, LLC, MS Loan NT-II, LLC, CLNC Credit 1, LLC, CLNC Credit 2, LLC and Morgan Stanley Bank, N.A. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (No. 001-38377) filed on April 25, 2018)
10.32	Amended and Restated Guaranty Agreement, made as of April 20, 2018, by Credit RE Operating Company, LLC in favor of Morgan Stanley Bank, N.A. (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K (No. 001-38377) filed on April 25, 2018)
10.33	Master Repurchase Agreement, dated as of April 23, 2018, by and among NSREIT CB Loan, LLC, CB Loan NT-II, LLC, CLNC Credit 3, LLC, CLNC Credit 4, LLC and Citibank, N.A. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (No. 001-38377) filed on April 25, 2018)
10.34	Guaranty, made as of April 23, 2018, by Credit RE Operating Company, LLC for the benefit of Citibank, N.A. (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K (No. 001-38377) filed on April 25, 2018)
10.35	Master Repurchase Agreement, dated as of April 26, 2018, by and among Barclays Bank PLC, CLNC Credit 7, LLC and the other sellers from time to time party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (No. 001-38377) filed on May 2, 2018)
10.36	Guaranty, made as of April 26, 2018, by Credit RE Operating Company, LLC for the benefit of Barclays Bank PLC (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K (No. 001-38377) filed on May 2, 2018)
31.1*	Certification by the Chief Executive Officer pursuant to 17 CFR 240.13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification by the Chief Financial Officer pursuant to 17 CFR 240.13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification by the Chief Executive Officer pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification by the Chief Financial Officer pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

101*	The following materials from the Colony NorthStar Credit Real Estate, Inc. Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2018, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets as of March 31, 2018 (unaudited) and December 31, 2017; (ii) Consolidated Statements of Operations (unaudited) for the three months ended March 31, 2018 and 2017; (iii) Consolidated Statements of Comprehensive Income (Loss) (unaudited) for the three months ended March 31, 2018 and 2017; (iv) Consolidated Statements of Equity (unaudited) for the three months ended March 31, 2018 and 2017; (v) Consolidated Statements of Cash Flows (unaudited) for the three months ended March 31, 2018 and 2017; and (vi) Notes to Consolidated Financial Statements (unaudited)

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* Filed herewith

SIGNATURES

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

Dated: May 14, 2018

COLONY NORTHSTAR CREDIT REAL ESTATE, INC.

By: /s/ Kevin P. Traenkle

Kevin P. Traenkle
Chief Executive Officer and President and Director
(Principal Executive Officer)

By: /s/ Sujan S. Patel

Sujan S. Patel
Chief Financial Officer (Principal Financial Officer)

By: /s/ Neale W. Redington

Neale W. Redington
Chief Accounting Officer (Principal Accounting Officer)

Exhibit 10.8

COLONY NORTHSTAR CREDIT REAL ESTATE, INC.
2018 EQUITY INCENTIVE PLAN

RESTRICTED STOCK AGREEMENT

Colony NorthStar Credit Real Estate, Inc., a Maryland corporation (the "**Company**"), through a web-based grant system supported by American Stock Transfer & Trust Company, LLC, has granted (the "**Grant**") shares of its Class A Common Stock, $0.01 par value per share (the "**Stock**") to you as Grantee, subject to the vesting and other conditions as set forth in the Grant. Additional terms and conditions of the Grant are set forth in the online acceptance form and this Restricted Stock Agreement (collectively, the "**Agreement**") and in the Company's 2018 Equity Incentive Plan, as amended from time to time (the "**Plan**"). *This is not a stock certificate or a negotiable instrument.*

Restricted Stock

This Agreement evidences an award of shares of Stock in the number set forth on the online acceptance form accompanying this Agreement and subject to the vesting and other conditions set forth herein, in the Plan, and in the online acceptance form accompanying this Agreement (the "**Restricted Stock**"). The purchase price is deemed paid by your prior Service to the Company.

Transfer of Unvested Restricted Stock

Unvested Restricted Stock may not be sold, assigned, transferred, pledged, hypothecated, or otherwise encumbered, whether by operation of law or otherwise, nor may the Restricted Stock be made subject to execution, attachment, or similar process. If you attempt to do any of these things, you will immediately forfeit the Restricted Stock.

Issuance and Vesting

The Company will issue the Restricted Stock in the name set forth on the online acceptance form accompanying this Agreement.

Your rights to the Restricted Stock under this Agreement shall vest in accordance with the vesting schedule set forth on the online acceptance form accompanying this Agreement, so long as you continue in Service on each applicable vesting date set forth on the online acceptance form accompanying this Agreement; provided, however, that for purposes of vesting, fractional numbers of shares of Stock shall be rounded down to the next nearest whole number.

Notwithstanding the vesting schedule set forth on the online acceptance form accompanying this Agreement, (i) the Restricted Stock will become one hundred percent (100%) vested upon termination of your Service due to your death or Disability and (ii) the forgoing is subject to any express provisions provided in this Agreement, the Plan or a Services Agreement.

Change in Control

Notwithstanding the vesting schedule set forth on the online acceptance form accompanying this Agreement, upon the consummation of a Change in Control, the Restricted Stock will become one hundred percent (100%) vested (i) if the Restricted Stock is not assumed or equivalent restricted securities are not substituted for the Restricted Stock, by the Company or its successor, or (ii) if assumed or substituted for, upon your Involuntary Termination (as defined below) within the twelve (12)-month period following the consummation of the Change in Control.

"**Involuntary Termination**" means termination of your service by reason of (i) your involuntary dismissal by an Applicable Entity for reasons other than Cause; or (ii) your voluntary resignation for Good Reason as defined in any applicable employment or severance agreement, plan, or arrangement between you and an Applicable Entity, or if none, then your voluntary resignation following (x) a substantial adverse alteration in your title or responsibilities from those in effect immediately prior to the Change in Control; (y) a reduction in your annual base salary as of immediately prior to the Change in Control (or as the same may be increased from time to time) or a material reduction in your annual target bonus opportunity as of immediately prior to the Change in Control; or (z) the relocation of your principal place of employment to a location more than thirty-five (35) miles from your principal place of employment as of the Change in Control or an Applicable Entity requiring you to be based anywhere other than such principal place of employment (or permitted relocation thereof) except for required travel on the Applicable Entity's business to an extent substantially consistent with your business travel obligations as of immediately prior to the Change in Control. To qualify as an "Involuntary Termination," you must provide notice to the Applicable Entity of any of the foregoing occurrences within ninety (90) days of the initial occurrence, and the Applicable Entity shall have thirty (30) days to remedy such occurrence.

Evidence of Issuance

The issuance of the shares of Stock under the Grant of Restricted Stock evidenced by this Agreement shall be evidenced in such a manner as the Company, in its discretion, deems appropriate, including, without limitation, book-entry, direct registration, or issuance of one or more share certificates, with any unvested Restricted Stock bearing the appropriate restrictions imposed by this Agreement. As your interest in the Restricted Stock vests, the recordation of the number of shares of Restricted Stock attributable to you will be appropriately modified if necessary.

Forfeiture of Unvested Restricted Stock

Unless the termination of your Service triggers accelerated vesting of your Restricted Stock or other treatment pursuant to the terms of this Agreement, the Plan, or any Services Agreement, you will automatically forfeit to the Company all of the unvested Restricted Stock in the event you are no longer providing Service.

Forfeiture of Rights

If you should take actions in violation or breach of or in conflict with any (a) employment agreement, (b) non-competition agreement, (c) agreement prohibiting solicitation of employees or clients of any Applicable Entity, (d) confidentiality obligation with respect to any Applicable Entity, (e) secondment agreement, (f) Company policy or procedure, (g) other agreement, or (h) any other obligation to any Applicable Entity, the Company has the right to cause an immediate forfeiture of your rights to the Restricted Stock under this Agreement, and you will immediately forfeit the Restricted Stock to the Company.

In addition, if you have vested in Restricted Stock during the two (2)-year period prior to your actions, you will owe the Company a cash payment (or forfeiture of shares of Stock) in an amount determined as follows: (1) for any shares of Stock that you have sold prior to receiving notice from the Company, the amount will be the proceeds received from the sale(s), and (2) for any shares of Stock that you still own, the amount will be the number of shares of Stock owned times the Fair Market Value of the shares of Stock on the date you receive notice from the Company (provided, that the Company may require you to satisfy your payment obligations hereunder either by forfeiting and returning to the Company the Restricted Stock or any other shares of Stock or making a cash payment or a combination of these methods as determined by the Company in its sole discretion).

Leaves of Absence

For purposes of this Agreement, your Service does not terminate when you go on a *bona fide* leave of absence that was approved by your employer in writing if the terms of the leave provide for continued Service crediting, or when continued Service crediting is required by applicable law. Your Service terminates in any event when the approved leave ends, unless you immediately return to active employee work.

Your employer may determine, in its discretion, which leaves count for this purpose, and when your Service terminates for all purposes under the Plan in accordance with the provisions of the Plan. Notwithstanding the foregoing, the Committee may determine, in its discretion, that a leave counts for this purpose even if your employer does not agree.

Section 83(b) Election

Under Section 83 of the Code, the difference between the purchase price paid for the shares of Stock and their Fair Market Value on the date any forfeiture restrictions applicable to such shares lapse will be reportable as ordinary income at that time. For this purpose, "forfeiture restrictions" include the forfeiture as to unvested Restricted Stock described above. You may elect to be taxed at the time the Restricted Stock is granted, rather than when such shares cease to be subject to such forfeiture restrictions, by filing an election under Section 83(b) of the Code with the Internal Revenue Service within thirty (30) days after the Grant Date on the online acceptance form accompanying this Agreement. If you are eligible to file an election and elect to do so, you will have to make a tax payment to the extent the purchase price is less than the Fair Market Value of the shares on the Grant Date. No tax payment will have to be made to the extent the purchase price is at least equal to the Fair Market Value of the shares on the Grant Date. The form for making this election is attached as Exhibit A hereto. Failure to make this filing within the applicable thirty (30)-day period will result in the recognition of ordinary income by you (in the event the Fair Market Value of the shares as of the vesting date exceeds the purchase price) as the forfeiture restrictions lapse.

YOU ACKNOWLEDGE THAT IT IS YOUR SOLE RESPONSIBILITY, AND NOT THE COMPANY'S, TO FILE A TIMELY ELECTION UNDER CODE SECTION 83(b), EVEN IF YOU REQUEST THE COMPANY OR ITS REPRESENTATIVES TO MAKE THIS FILING ON YOUR BEHALF. YOU ARE RELYING SOLELY ON YOUR OWN ADVISORS WITH RESPECT TO THE DECISION AS TO WHETHER OR NOT TO FILE ANY CODE SECTION 83(b) ELECTION.

Withholding Taxes

You agree as a condition of this Grant that you will make acceptable arrangements to pay any withholding or other taxes that may be due as a result of the payment of dividends or the vesting of shares of Stock acquired under this Grant. In the event that any Applicable Entity determines that any federal, state, local, or foreign tax or withholding payment is required relating to the payment of dividends or the vesting of shares of Stock arising from this Grant, the Applicable Entity shall have the right to require such payments from you, or withhold such amounts from other payments due to you from the Applicable Entity (including withholding the delivery of vested shares of Stock otherwise deliverable under this Agreement).

Retention Rights

This Agreement and the Grant evidenced hereby do not give you the right to be retained by any Applicable Entity in any capacity. Unless otherwise specified in an employment or other written agreement between the Applicable Entity and you, the Applicable Entity reserves the right to terminate your Service at any time and for any reason.

Stockholder Rights

You will be entitled to vote your shares of Restricted Stock and to receive, upon the Company's payment of a cash dividend on outstanding shares of Stock, a cash amount equal to the per-share dividend paid on the Restricted Stock, in either case, that you hold as of the applicable record date. Notwithstanding the foregoing, you shall not be entitled to vote or to receive any cash dividend on the Restricted Stock you hold if the record date for such vote or cash dividend is on or prior to the date on which your share certificate is issued (or an appropriate entry is made).

Your Grant shall be subject to the terms of any applicable transaction agreement in the event the Company is subject to any merger, reorganization, consolidation, liquidation or other corporate activity.

Legends

If and to the extent that the Restricted Stock is represented by share certificates rather than book entry, all share certificates representing the Stock issued under this Grant shall, where applicable, have endorsed thereon the following legends:

"THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN VESTING, FORFEITURE, AND OTHER RESTRICTIONS ON TRANSFER SET FORTH IN AN AGREEMENT BETWEEN THE COMPANY AND THE REGISTERED HOLDER, OR HIS OR HER PREDECESSOR IN INTEREST. A COPY OF SUCH AGREEMENT IS ON FILE AT THE PRINCIPAL OFFICE OF THE COMPANY AND WILL BE FURNISHED UPON WRITTEN REQUEST TO THE SECRETARY OF THE COMPANY BY THE HOLDER OF RECORD OF THE SHARES REPRESENTED BY THIS CERTIFICATE."

To the extent the Stock is represented by a book entry, such book entry will contain an appropriate legend or restriction similar to the foregoing.

Clawback

This Grant is subject to mandatory repayment by you to the Company to the extent you are or in the future become subject to any Company "clawback" or recoupment policy that requires the repayment by you to the Company of compensation paid by the Company to you in the event that you fail to comply with, or violate, the terms or requirements of such policy.

If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, as a result of misconduct, with any financial reporting requirement under the securities laws and you knowingly engaged in the misconduct, were grossly negligent in engaging in the misconduct, knowingly failed to prevent the misconduct or were grossly negligent in failing to prevent the misconduct, you shall reimburse the Company the amount of any payment in settlement of this Grant earned or accrued during the twelve (12)-month period following the first public issuance or filing with the United States Securities and Exchange Commission (whichever first occurred) of the financial document that contained information affected by such material noncompliance.

Applicable Law

This Agreement will be interpreted and enforced under the laws of the State of New York, other than any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

The Plan

The text of the Plan is incorporated into this Agreement by reference.

Certain capitalized terms used in this Agreement are defined in the Plan and have the meaning set forth in the Plan.

This Agreement and the Plan constitute the entire understanding between you and the Company regarding this Grant. Any prior agreements, commitments, or negotiations concerning this Grant are superseded; except that any written employment, consulting, confidentiality, non-competition, non-solicitation, and/or severance agreement (each, a "**Services Agreement**") between you and any Applicable Entity shall supersede this Agreement with respect to its subject matter.

Data Privacy

In order to administer the Plan, an Applicable Entity may process personal data about you. Such data includes, but is not limited to, information provided in this Agreement and any changes thereto, other appropriate personal and financial data about you, such as your contact information, payroll information, and any other information that might be deemed appropriate by the Applicable Entity to facilitate the administration of the Plan.

By accepting this Grant, you give explicit consent to any Applicable Entity to process any such personal data.

Code Section 409A

The Grant of Restricted Stock under this Agreement is intended to be exempt from, or to comply with, Code Section 409A to the extent subject thereto, and, accordingly, to the maximum extent permitted, this Agreement will be interpreted and administered to be in compliance with Code Section 409A. Notwithstanding anything to the contrary in the Plan or this Agreement, neither an Applicable Entity nor the Committee will have any obligation to take any action to prevent the assessment of any excise tax or penalty on you under Code Section 409A, and neither an Applicable Entity nor the Committee will have any liability to you for such tax or penalty.

By accepting and not rejecting the online acceptance form accompanying this Agreement, you agree to all of the terms and conditions described above and in the Plan.

EXHIBIT A

PROCEDURES FOR MAKING ELECTION
UNDER SECTION 83(b) OF THE INTERNAL REVENUE CODE

The following procedures must be followed with respect to the attached form for making an election under Section 83(b) of the Internal Revenue Code in order for the election to be effective:[1]

1. You must file the "IRS Copy" of the completed election form with the IRS Service Center where you file your federal income tax returns within 30 days after the Grant Date of your Restricted Stock.

2. At the same time you file the election form with the IRS, you must also give the "Company Copy" of the election form to the Secretary of the Company._____

[1]Whether or not to make the election is your decision and may create tax consequences for you. You are advised to consult your tax advisor if you are unsure whether or not to make the election.

INTERNAL REVENUE CODE SECTION 83(b) ELECTION FORM

(IRS Copy)

The undersigned Grantee hereby makes an election pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, with respect to the property described below and supplies the following information in accordance with the regulations promulgated thereunder:

1. The name, address, and social security or taxpayer identification number of the undersigned:

   Name:_____
   Address:_____

   _____
   Social Security or Taxpayer I.D. No.:_____

2. Description of property with respect to which the election is being made:

   _____shares of Class A common stock, par value $0.01 per share, Colony NorthStar Credit Real Estate, Inc., a Maryland corporation (the "Company").

3. The date on which the property was transferred is_____ , 20____ .

4. The taxable year to which this election relates is calendar year 20___ .

5. Nature of restrictions to which the property is subject:

   The shares of Class A common stock are subject to the provisions of a Restricted Stock Agreement between the undersigned and the Company. The shares of Class A common stock are subject to forfeiture under the terms of the Restricted Stock Agreement.

6. The fair market value of the property at the time of transfer (determined without regard to any restriction other than a nonlapse restriction as defined in Treasury Regulations section 1.83-3(h)) was $_____ per share, for a total of $_____ .

7. The amount paid by taxpayer for the property was $_____.

8. The amount to include in gross income is $_____.

9. A copy of this statement has been furnished to the Company. Dated: ____, 20

The undersigned is the person performing the services in connection with which the property was transferred. The undersigned understands that the foregoing election may not be revoked except with the consent of the Internal Revenue Commissioner.

_____
Taxpayer's Signature

_____
Taxpayer's Printed Name

INTERNAL REVENUE CODE SECTION 83(b) ELECTION FORM

(Company Copy)

The undersigned Grantee hereby makes an election pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, with respect to the property described below and supplies the following information in accordance with the regulations promulgated thereunder:

1. The name, address, and social security or taxpayer identification number of the undersigned:

   Name:_____
   Address:_____

   _____
   Social Security or Taxpayer I.D.

2. Description of property with respect to which the election is being made:

   _____shares of Class A common stock, par value $0.01 per share, Colony NorthStar Credit Real Estate, Inc., a Maryland corporation (the "Company").

3. The date on which the property was transferred is _____, 20 _____ .

4. The taxable year to which this election relates is calendar year 20____ .

5. Nature of restrictions to which the property is subject:

   The shares of Class A common stock are subject to the provisions of a Restricted Stock Agreement between the undersigned and the Company. The shares of Class A common stock are subject to forfeiture under the terms of the Restricted Stock Agreement.

6. The fair market value of the property at the time of transfer (determined without regard to any restriction other than a nonlapse restriction as defined in Treasury Regulations section 1.83-3(h)) was $_____ per share, for a total of $_____ .

7. The amount paid by taxpayer for the property was $_____.

8. The amount to include in gross income is $_____ .

9. A copy of this statement has been furnished to the Company. Dated:_____ , 20

The undersigned is the person performing the services in connection with which the property was transferred. The undersigned understands that the foregoing election may not be revoked except with the consent of the Internal Revenue Commissioner.

_____
Taxpayer's Signature

_____
Taxpayer's Printed Name

Notice of Restricted Stock Award of Colony NorthStar Credit Real Estate, Inc.

Company Name	Colony NorthStar Credit Real Estate, Inc.
Plan	2018 Equity Incentive Plan
Participant ID	
Participant Name	
Participant Address	
Grant/Award Type	Restricted Stock Award
Share Amount	
Grant Date	

Vesting Schedule

Vesting Date	No. of Shares	Percent

Exhibit 10.15

SIXTH AMENDMENT TO MASTER REPURCHASE AGREEMENT

SIXTH AMENDMENT TO MASTER REPURCHASE AGREEMENT dated as of January 31, 2018 (this "**Amendment**"), by and among NSREIT CB LOAN, LLC, a Delaware limited liability company ("**Seller**"), and CITIBANK, N.A., a national banking association ("**Buyer**"). Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the MRA (defined below).

RECITALS

WHEREAS, Seller and Buyer are parties to that certain Master Repurchase Agreement, dated as of July 18, 2012, as amended by that certain First Amendment to Master Repurchase Agreement, dated as of November 30, 2012, that certain Second Amendment to Master Repurchase Agreement and First Amendment to Limited Guaranty, dated as of April 18, 2013, that certain Third Amendment to Master Repurchase Agreement, dated as of June 30, 2014, that certain Fourth Amendment to Master Repurchase Agreement, dated as of October 18, 2014, and that certain Fifth Amendment to Master Repurchase Agreement, dated as of October 17, 2016 (as the same may be further amended, supplemented or otherwise modified from time to time, the "**MRA**");

WHEREAS, Seller and Buyer wish to amend the MRA as more particularly 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. Amendment to Master Repurchase Agreement.

(a) The following definitions in Section 2 of the MRA are hereby deleted in their entirety and the following corresponding definitions are substituted therefor:

"Acceptable Attorney" shall mean Haynes and Boone, LLP, Ropes & Gray LLP or any other attorney-at-law acceptable to Buyer in its reasonable discretion.

"Asset Management Agreement" shall mean the Management Agreement, dated as of January 31, 2018, by and between Manager and Parent, or such other agreement acceptable to Buyer in its reasonable discretion, in each case, as the same shall be amended, modified, waived, supplemented, extended, replaced or restated from time to time.

"Change of Control" shall mean any of the following events shall have occurred without the prior approval of Buyer:

(i) prior to an internalization of management by Parent, if Manager is no longer the manager of Guarantor;

(ii) after such time as Parent is internally managed, any "person" or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act, as amended) shall become, or obtain rights (whether by means of warrants, options or otherwise) to become, the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of a percentage of the total voting power of all classes of Equity Interests of Guarantor entitled to vote generally in the election of directors, of 49% or more;

(iii) the Parent shall cease to own and control, of record and beneficially, 51% of the Equity Interests of Guarantor;

(iv) Guarantor shall cease to own and control, of record and beneficially, directly or indirectly 100% of the outstanding Equity Interests of Seller; or

(v) any conveyance, transfer, lease or disposal of all or substantially all assets of Guarantor to any Person or entity that does not result in the repurchase by Seller of all Purchased Loans.

Notwithstanding the foregoing, Buyer shall not (i) be deemed to approve or to have approved any internalization of management by Parent or (ii) have waived or be deemed to have waived Section 14(a)(xvii), in either case, as a result of this definition or any other provision herein.

"Guarantor" shall mean Credit RE Operating Company, LLC, a Delaware limited liability company.

"Guaranty" shall mean that certain Amended and Restated Guaranty, dated as of January 31, 2018, from Guarantor in favor of Buyer.

"Manager" shall mean CLNC Manager, LLC, a Delaware limited liability company.

"Material Adverse Effect" shall mean a material adverse effect on (a) the business, condition (financial or otherwise) or results of operations (or prospects) of Seller or Guarantor, (b) the ability of Seller or Guarantor to pay and perform its obligations under any of the Transaction Documents, (c) the legality, validity or enforceability of any of the Transaction Documents, (d) the rights and remedies of Buyer under any of the Transaction Documents, or (e) the perfection or priority of any Lien granted under any Purchased Loan Document.

"Non-Recourse Carve-Out Guaranty" shall mean the Amended and Restated Non-Recourse Carve Out Guaranty, dated as of January 31, from Guarantor to Buyer.

(b) The following definitions shall be added to Section 2 of the MRA in their appropriate alphabetical location as follows:

"Parent" shall mean Colony NorthStar Credit Real Estate Inc., a Maryland corporation.

"Sixth Amendment" shall mean that certain Sixth Amendment to Master Repurchase Agreement, dated as of January 31, 2018, by and between Seller and Buyer.

(c) The definitions for "Account Control Agreement," "Liquidity Reserve Account," "NRFC," and "Required Liquidity Amount" shall be deleted in their entirety from Section 2 of the MRA;

(d) Section 3(b) of the MRA is hereby amended by adding "and" after ";" at the end of Section 3(b)(F), replacing "; and" with "." at the end of Section3(b)(G) and deleting Section3(b)(H) in its entirety;

(e) Section 5 of the MRA is hereby amended by deleting Section 5(g) in its entirety and replacing it with Section 5(h).

(f) Section 6(c) of the MRA is hereby deleted in its entirety and replaced with the following:

(c) "the Cash Management Account and all financial assets (including, without limitation, all security entitlements with respect to all financial assets) from time to time on deposit in the Cash Management Account;"

(g) Section 10(b)(xv) of the MRA is hereby deleted in its entirety and replaced with the following:

(xv) "Taxes. Seller and Guarantor have filed or caused to be filed all tax returns which would be delinquent if they had not been filed on or before the date hereof and have paid all taxes shown to be due and payable on or before the date hereof on such returns or on any assessments made against it or any of its respective property and all other taxes, fees or other charges imposed on it and any of its respective assets by any Governmental Authority except for any such taxes as are being appropriately contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves have been provided in accordance with GAAP; no tax liens have been filed against any of its or its respective assets and no claims are being asserted with respect to any such taxes, fees or other charges."

(h) Section 10(b)(xvii) of the MRA is hereby deleted in its entirety and replaced with the following:

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

(i) Section 10(b)(xviii) of the MRA is hereby deleted in its entirety and replaced with the following:

(xviii) "Full and Accurate Disclosure. No information contained in the Transaction Documents, or any written statement furnished by Seller or Guarantor pursuant to the terms of the Transaction Documents, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which they were made."

(j) Section 10(b)(xix) of the MRA is hereby deleted in its entirety and replaced with the following:

(xix) "Financial Information. All financial data concerning Seller and Guarantor that has been delivered by or on behalf of Seller to Buyer is true, complete and correct in all material respects and, other than the financial models and projections with respect to which GAAP is inapplicable, has been prepared in accordance with GAAP. To the actual knowledge of Seller, all financial data concerning the Purchased Loans that has been delivered by or on behalf of Seller to Buyer is true, complete and correct in all material respects. Since the delivery of such data, except as otherwise disclosed in writing to Buyer, there has been no change in the financial position of Seller and Guarantor or in the operations of Seller and Guarantor or, to the actual knowledge of Seller, the financial position of the Purchased Loans, which change is reasonably likely to have in a Material Adverse Effect."

(k) Section 10(b)(xx) of the MRA is hereby deleted in its entirety and replaced with the following:

(xx) "Notice Address; Jurisdiction of Organization. On the date of this Agreement, Seller's address for notices is located at c/o Colony NorthStar, Inc., 590 Madison Avenue, 34th Floor,

New York, New York 10022. Seller's jurisdiction of organization is Delaware. The location where Seller keeps its books and records, including all computer tapes and records relating to the Collateral, is its notice address."

(l) Section 11(h) of the MRA is hereby deleted in its entirety and replaced with the following:

(h) "after the occurrence and during the continuation of an Event of Default, make any distribution, payment on account of, or set apart assets for, a sinking or other analogous fund for the purchase, redemption, defeasance, retirement or other acquisition of any Capital Stock of Seller, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of Seller (unless the same is necessary for Parent to maintain its status as a real estate investment trust (REIT) under the Code)."

(m) Section 12(i)(i) of the MRA is hereby deleted in its entirety and replaced with the following:

(i) "As soon as available, but in any event within 45 days after the end of each of the first three fiscal quarters of each fiscal year of Guarantor, a balance sheet of Guarantor and its Subsidiaries as at the end of such fiscal quarter, the related consolidated statements of income or operations for such fiscal quarter and for the portion of Guarantor's fiscal year then ended, and the related consolidated statements of changes in shareholders' equity, and cash flows for the portion of Guarantor's fiscal year then ended, in each case setting forth in comparative form, as applicable, the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail, certified by the chief executive officer, chief financial officer, treasurer or controller of Guarantor as fairly presenting the financial condition, results of operations, shareholders' equity and cash flows of Guarantor and its Subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes;"

(n) Section 12(i)(ii) of the MRA is hereby deleted in its entirety and replaced with the following:

(ii) "As soon as available but in any event within 90 days after the end of each fiscal year of Guarantor, a consolidated balance sheet of Guarantor and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations, changes in shareholders' equity, and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, audited and accompanied by a report and opinion of an independent certified public accountant of nationally recognized standing reasonably acceptable to Buyer, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit; and"

(o) Section 12(i) of the MRA is hereby amended by deleting the paragraph after Section12(i)(v) and replacing it with the following:

"Documents required to be delivered pursuant to the foregoing may be delivered by electronic communication (including email or otherwise) and if so delivered, shall be deemed to have been delivered on the date (i) on which the applicable party transmits such documents via email, (ii) on which the applicable party posts such documents, or provides a link thereto, on the applicable party's website on the Internet at the website address listed on Schedule I to the Sixth Amendment (which website address may be updated by Seller by written notice to Buyer), or (iii) on which such documents are posted on the applicable party's behalf on an Internet or intranet website, if any, to which Buyer has access (whether a commercial, third-party website or whether sponsored by Buyer)."

(p) Section 14(a)(iii) of the MRA is hereby deleted in its entirety and replaced with the following:

(iii) "an Act of Insolvency occurs with respect to Seller, Parent, Guarantor or Manager;"

(q) Section 14(a)(iv) of the MRA is hereby deleted in its entirety and replaced with the following:

(iv) "Seller, Parent or Guarantor makes a public disclosure or otherwise admits in writing that it is not Solvent or is not able or not willing to perform any of its obligations hereunder or under any other agreement to which it is a party;"

(r) Section 14(a)(ix) of the MRA is hereby deleted in its entirety and replaced with the following:

(ix) "any governmental, regulatory, or self-regulatory authority shall have removed, suspended or terminated the material rights, privileges, or operations of Seller, Parent, Guarantor or Manager;"

(s) Section 14(a)(xi) of the MRA is hereby deleted in its entirety and replaced with the following:

(xi) "any representation made by Seller or Guarantor in any Transaction Document shall have been incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated (other than the representations and warranties set forth in Section 10(b)(viii) of this Agreement made by Seller, which shall not be considered an Event of Default if incorrect or untrue in any material respect and which incorrect or untrue representation shall be solely used by Buyer as a basis to adjust the Market Value of the applicable Purchased Loan and to make determinations pursuant to Section 4(a) of this Agreement; provided further Seller shall not have made any such representation with actual knowledge that it was materially incorrect or untrue at the time made) and such representation breach continues unremedied for ten (10) Business Days after the earlier of receipt of notice thereof from Buyer or the discovery of such failure by the applicable Person;"

(t) Section 14(a)(xiii) of the MRA is hereby deleted in its entirety and replaced with the following:

(xiii) "a final non-appealable judgment by any competent court in the United States of America having jurisdiction over Seller for the payment of money in an amount greater than $100,000 (in the case of Seller) or $5,000,000 (in the case of the Parent or Guarantor) shall have been rendered against Seller, Parent or Guarantor, unless execution of such judgment is stayed by the posting of cash or a bond or other collateral acceptable to Buyer in the amount of the judgment or otherwise is discharged (or provision is made for such discharge);"

(u) Section 14(a)(xiv) of the MRA is hereby deleted in its entirety and replaced with the following:

(xiv) "Seller, Parent or Guarantor shall have defaulted or failed to perform under any note, indenture, loan agreement, guaranty, swap agreement or any other contract, agreement or transaction to which it is a party, which default (A) involves

the failure to pay a monetary obligation in excess of $100,000 (in the case of Seller) or $5,000,000 (in the case of Parent or Guarantor), or (B) permits the acceleration of the maturity of obligations in excess of $100,000 (in the case of Seller) or $5,000,000 (in the case of Parent or Guarantor) by any other party to or beneficiary of such note, indenture, loan agreement, guaranty, swap agreement or other contract agreement or transaction; provided, however, that any such default, failure to perform or breach shall not constitute an Event of Default if Seller, Parent or Guarantor cures such default, failure to perform or breach, as the case may be, within the grace notice and/or cure period, if any, provided under the applicable agreement;"

(v) Section 14(a)(xv) of the MRA is hereby deleted in its entirety and replaced with the following:

(xv) "Intentionally omitted."

(w) Section 29(d) of the MRA is hereby deleted in its entirety and replaced with the following:

(d) "Seller shall not employ sub-servicers to service the Purchased Loans without the prior written approval of Buyer in its sole discretion; provided, this Section 29(d) shall not apply to an Affiliate of Seller and Guarantor."

(x) Section 30(d) of the MRA is hereby deleted in its entirety and replaced with the following:

(d) "Without limiting the rights and remedies of Buyer under the Transaction Documents, Seller shall pay Buyer's reasonable actual out-of-pocket costs and expenses, including reasonable fees and expenses of accountants, attorneys and advisors, incurred in connection with the preparation, negotiation, execution and consummation of, and any amendment, supplement or modification to, the Transaction Documents and the Transactions thereunder. Seller agrees to pay Buyer promptly all costs and expenses (including reasonable expenses for legal services of every kind) of any subsequent enforcement of any of the provisions hereof, or of the performance by Buyer of any obligations of Seller in respect of the Purchased Loans, or any actual or attempted sale, or any exchange, enforcement, collection, compromise or settlement in respect of any of the Collateral and for the custody, care or preservation of the Collateral (including

insurance costs) and defending or asserting rights and claims of Buyer in respect thereof, by litigation or otherwise. In addition, Seller agrees to pay Buyer promptly all reasonable costs and expenses (including reasonable expenses for legal services) incurred in connection with the maintenance of the Cash Management Account and registering the Collateral in the name of Buyer or its nominee."

All such expenses shall be recourse obligations of Seller to Buyer under this Agreement.

(y) Annex I of the MRA is hereby deleted in its entirety and replaced with Annex I attached as Schedule II hereto.

SECTION 2. Omnibus Amendment to Transaction Documents. Any references to the MRA in the Transaction Documents shall hereinafter refer to the MRA as modified by this Amendment.

SECTION 3. Conditions. This Amendment shall become effective as of the date hereof (the "**Amendment Effective Date**"), subject to the satisfaction of the following conditions precedent and subsequent:

(a) Delivered Documents. On the Amendment Effective Date, as conditions precedent to the effectiveness hereof Buyer shall have received the following documents, each of which shall be satisfactory to Buyer in form and substance:

(i) this Amendment, executed and delivered by Seller and Buyer; and

(ii) that certain Guaranty and Non-Recourse Carve-Out Guaranty, executed and delivered by Guarantor, and legal opinions relating thereto.

SECTION 4. Due Authority. Seller hereby represents and warrants to Buyer that, as of the date hereof, (i) it has the power to execute, deliver and perform its respective obligations under this Amendment, (ii) this Amendment has been duly executed and delivered by it for good and valuable consideration, and constitutes its legal, valid and binding obligation enforceable against it in accordance with its terms subject to bankruptcy, insolvency, and other limitations on creditors' rights generally and to equitable principles, and (iii) neither the execution and delivery of this Amendment, nor the consummation by it of the transactions contemplated by this Amendment, nor compliance by it with the terms, conditions and provisions of this Amendment will conflict with or result in a breach of any of the terms, conditions or provisions of (A) its organizational documents, (B) any contractual obligation to which it is now a party or the rights under which have been assigned to it or the obligations under which have been assumed by it or to which its assets are subject or constitute a default thereunder, or result thereunder in the creation or imposition of any lien upon any of it's assets, other than pursuant to this Amendment, (C) any judgment or order, writ, injunction, decree or demand of any court applicable to it, or (D) any

applicable Requirement of Law, in the case of clauses (A)-(C) above, to the extent that such conflict or breach is reasonably likely to result in a Material Adverse Effect.

SECTION 5. Counterparts. This Amendment may be executed by each of the parties hereto on any number of separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment in Portable Document Format (PDF) or by facsimile transmission shall be effective as delivery of a manually executed original counterpart thereof.

SECTION 6. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAWS PRINCIPALS.

SECTION 7. MRA and Transaction Documents in Full Force and Effect. Except as expressly amended hereby, Seller acknowledges and agrees that all of the terms, covenants and conditions of the MRA and the other Transaction Documents remain unmodified and in full force and effect and are hereby ratified and confirmed in all respects.

SECTION 8. Acknowledgment of Guaranty. Buyer and Seller hereby acknowledge and agree that the Guaranty to be executed and delivered by Guarantor on the Amendment Effective Date shall replace in its entirety that certain Limited Guaranty and Non-Recourse Carve-Out Guaranty, each dated as of July 18, 2012 (as amended prior to the date hereof, the "**Prior Guaranty**") made by NorthStar Real Estate Income Trust, Inc. in favor of Buyer, and that following the Amendment Effective Date, the Prior Guaranty shall be of no further force and effect.

[NO FURTHER TEXT ON THIS PAGE]

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:

CITIBANK, N.A.

By: /s/ Richard B. Schlenger
Name: Richard B. Schlenger
Title: Authorized Signatory

[signatures continued on next page]

SELLER:

NSREIT CB LOAN, LLC,
a Delaware limited liability company

By: NorthStar Real Estate Income Trust Operating Partnership, LLC, a Delaware limited liability company, its sole equity member

By: Credit RE Operating Company, LLC, a Delaware limited liability company, its sole equity member

By: /s/ David A. Palamé
Name: David A. Palamé
Title: Vice President

Schedule I

http://ir.clncredit.com/financial-information/sec-filings

Schedule II

ANNEX I

Names and Addresses for Communications Between Parties

Buyer:

Citibank, N.A.
388 Greenwich Street
New York, New York 10013
Attention: Richard Schlenger
Tel: (212) 816-7806
Fax: (212) 816-8307

and

Sidley Austin LLP
787 Seventh Avenue
New York, New York 10019
Attention: Brian Krisberg, Esq.
Tel: (212) 839-8735
Fax: (212) 839-5599

Seller:

NSREIT CB Loan, LLC
c/o Colony NorthStar, Inc.
590 Madison Avenue, 34th Floor
New York, New York 10022
Attention: David A. Palamé
Tel: (212) 230-3325
Fax: (646) 837-5323

With copies to:

Ropes & Gray LLP
1211 Avenue of the Americas
New York, New York 10036-8704
Attention: Daniel L. Stanco, Esq.
Tel: (212) 841-5758
Fax: (646) 728-1677

Exhibit 10.16

AMENDED AND RESTATED LIMITED GUARANTY

THIS AMENDED AND RESTATED LIMITED GUARANTY (as amended, modified, waived, supplemented, extended, restated or replaced from time to time, this "Guaranty") is made as of the 31st day of January, 2018, by **CREDIT RE OPERATING COMPANY, LLC**, a Delaware limited liability company (together with its successors and permitted assigns and any other Person that becomes a guarantor under this Guaranty, "Guarantor"), for the benefit of **CITIBANK, N.A.**, a national banking association, as buyer under the Repurchase Agreement (in such capacity, together with its successors and assigns, "Buyer").

RECITALS:

WHEREAS, under and subject to the terms of the Master Repurchase Agreement, dated as of July 18, 2012, as amended by that certain First Amendment to Master Repurchase Agreement, dated as of November 30, 2012, that certain Second Amendment to Master Repurchase Agreement and First Amendment to Limited Guaranty, dated as of April 18, 2013, that certain Third Amendment to Master Repurchase Agreement, dated as of June 30, 2014, that certain Fourth Amendment to Master Repurchase Agreement, dated as of October 18, 2014, and that certain Fifth Amendment to Master Repurchase Agreement, dated as of October 17, 2016 and that certain Sixth Amendment to Master Repurchase Agreement, dated as of the date hereof (as the same may be further amended, modified, restated, replaced, waived, substituted, supplemented or extended from time to time, the "Repurchase Agreement"), by and between NSREIT CB LOAN, LLC, a Delaware limited liability company, as seller (together with its successors and permitted assigns, "Seller"), and Buyer, as buyer, Seller may sell and Buyer may purchase Purchased Loans with a simultaneous agreement by such Seller to repurchase such Purchased Loans;

WHEREAS, NorthStar Real Estate Income Trust, Inc., a Maryland corporation ("Original Guarantor") guaranteed the obligations of Seller under the Repurchase Agreement and the other Transaction Documents pursuant to that certain Limited Guaranty, dated as of July 18, 2012 (as amended, modified and/or restated prior to the date hereof, the "Original Guaranty"), from Original Guarantor to Buyer;

WHEREAS, In connection with that certain Sixth Amendment to Master Repurchase Agreement, dated as of the date hereof (the "Sixth Amendment to Master Repurchase Agreement"), between Seller and Buyer, the parties have agreed that the Original Guaranty shall be amended, restated and superseded in its entirety by this Guaranty, and Guarantor is executing and delivering this Guaranty. This Guaranty hereby amends, restates, replaces and supersedes the Original Guaranty in its entirety and Buyer hereby releases Original Guarantor from all liability relating to the payments, covenants, conditions, stipulations and other obligations contained in or arising under the Original Guaranty, except for any liability which may have accrued prior to the date hereof against Original Guarantor under the Original Guaranty for which a claim has been made prior to the date hereof;

WHEREAS, Buyer has requested, as a condition of entering into the Sixth Amendment to Repurchase Agreement, that Guarantor execute and deliver this Guaranty to Buyer;

WHEREAS, Guarantor is an Affiliate (as defined in the Repurchase Agreement) and directly or indirectly controls Seller;

WHEREAS, Guarantor expects to benefit if Buyer enters into the Sixth Amendment to Repurchase Agreement with Seller; and

WHEREAS, Buyer would not enter into the Sixth Amendment to Repurchase Agreement unless Guarantor executed this Guaranty. This Guaranty is therefore delivered to induce Buyer to enter into the Sixth Amendment to Repurchase Agreement.

NOW, THEREFORE, based upon the foregoing Recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor, intending to be legally bound, hereby agrees as follows:

ARTICLE 1

DEFINITIONS

Section 1.01 Definitions.

(a) Unless otherwise defined above or in this Article 1, capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Repurchase Agreement or in the UCC (defined in the Repurchase Agreement).

(b) As used in this Guaranty and the schedules, exhibits, annexes or other attachments hereto, unless the context requires a different meaning, the following terms shall have the following meanings:

"Available Borrowing Capacity": On any date of determination, the total unrestricted borrowing capacity which may be drawn (taking into account required reserves and discounts) upon by the Sponsor and its Subsidiaries under any credit facilities (including repurchase agreements, note on note facilities, or otherwise), but with respect to any such credit facility, solely to the extent that such available borrowing capacity is committed by the related lender.

"Capital Expenditures": With respect to any Person for any period, the aggregate of all expenditures by such Person and its Subsidiaries for the acquisition or leasing (pursuant to a capital lease) of fixed or capital assets or additions to equipment (including replacements, capitalized repairs and improvements during such period) that should be capitalized under GAAP on a consolidated balance sheet of such Person and its Subsidiaries.

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

"Capital Stock": With respect to any Person, all of the shares of capital stock or share capital of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock or share capital of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock or share capital of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

"Cash Equivalents": As of any date of determination (i) marketable securities (a) issued or the principal and interest of which are directly and unconditionally guaranteed by the United States or (b) issued by any agency of the United States, the obligations of which are backed by the full faith and credit of the United States and (ii) time deposits, certificates of deposit, money market accounts or banker's acceptances of any investment grade rated commercial bank, in each case with respect to clauses (i) and (ii) which mature within ninety (90) days after such date of determination.

"Code": The Internal Revenue Code of 1986 and the regulations promulgated and rulings issued thereunder, in each case as amended, modified or replaced from time to time.

"Commonly Controlled Entity": An entity, whether or not incorporated, which is under common control with Seller or Guarantor within the meaning of Section 4001(b)(1) of ERISA or is part of a group which includes Seller or Guarantor and which is treated as a single employer under Section 414(b) or 414(c) of the Code or, solely for purposes of Section 412 of the Code to the extent required by such section, Section 414(m) or 414(o) of the Code.

"Consolidated EBITDA": With respect to any Person for any period, Core Earnings plus an amount which, in the determination of Core Earnings for such period, has been deducted (and not added back) for, without duplication, (i) Consolidated Interest Expense, (ii) provisions for taxes based on income of such Person and its Consolidated Subsidiaries (provided that Consolidated EBITDA shall, solely with respect to the Consolidated EBITDA attributable to any Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of such attributable amount), and (iii) preferred dividends.

"Consolidated Group Pro Rata Share": With respect to any Non Wholly-Owned Consolidated Affiliate, the percentage interest held by the Guarantor and its Wholly Owned Subsidiaries, in the aggregate, in such Non Wholly-Owned Consolidated Affiliate determined by calculating the percentage of Capital Stock of such Non Wholly-Owned Consolidated Affiliate owned by the Guarantor and its Wholly Owned Subsidiaries.

"Consolidated Interest Expense": With respect to any Person for any period, total interest expense (including that attributable to Capital Lease Obligations) of such Person and its Consolidated Subsidiaries for such period with respect to all outstanding Indebtedness of such Person and its Consolidated Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs under

Swap Agreements in respect of interest rates to the extent such net costs are allocable to such period in accordance with GAAP); provided that Consolidated Interest Expense shall, with respect to any Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of the total cash interest expense (determined in accordance with GAAP) of such Non Wholly-Owned Consolidated Affiliate for such period.

"Consolidated Leverage Ratio": With respect to any Person on any date of determination, the ratio of (a) Consolidated Total Debt on such day to (b) Total Asset Value as of such date.

"Consolidated Subsidiaries": With respect to any Person, all Subsidiaries of such Person which are consolidated with such Person for financial reporting purposes under GAAP.

"Consolidated Tangible Net Worth": For any Person on any date of determination, all amounts that would, in conformity with GAAP, be included on a consolidated balance sheet of such Person and its Consolidated Subsidiaries under stockholders' equity at such date plus (i) accumulated depreciation and (ii) amortization of real estate intangibles such as in-place lease value, above and below market lease value and deferred leasing costs which are purchase price allocations determined upon the acquisition of real estate, in each case, of such Person and its Consolidated Subsidiaries on such date (provided that the amounts described in the foregoing clauses (i) and (ii) shall, solely with respect to any such amount attributable to any Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of such attributable amount) minus the Intangible Assets of such Person and its Consolidated Subsidiaries on such date (provided that any such amount deducted with respect to deferred financing costs shall, solely with respect to any such amount attributable to any Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of such attributable amount).

"Consolidated Total Debt": With respect to any Person on any date of determination, the aggregate principal amount of all Indebtedness of the such Person and its Consolidated Subsidiaries at such date, determined on a consolidated basis in accordance with GAAP; provided that Consolidated Total Debt shall (i) exclude any Indebtedness attributable to a Specified GAAP Reportable B Loan Transaction, (ii) exclude all Permitted Non-Recourse CLO Indebtedness and (iii) solely with respect to the Indebtedness of any Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of such Indebtedness.

"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.

"Core Earnings": With respect to any Person for any period, net income determined in accordance with GAAP of such Person and its consolidated subsidiaries and excluding (but only to the extent included in determining net income for such period) (i) non-cash equity compensation expense, (ii) the expenses incurred in connection with the formation of the Sponsor and the offering in connection therewith, including the initial underwriting discounts and commissions, (iii) acquisition costs from successful acquisitions (other than acquisitions made in the ordinary course of business), (iv) real property depreciation and amortization, (v) any unrealized gains or losses or

other similar non-cash items that are included in net income for the current quarter, regardless of whether such items are included in other comprehensive income or loss, (vi) extraordinary or non-recurring gains or losses and (vii) one-time expenses, charges or gains relating to changes in GAAP; provided that Core Earnings shall, solely with respect to the Core Earnings attributable to any Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of such attributable amount.

"Customary Recourse Exceptions": With respect to any Non-Recourse Indebtedness, exclusions from the exculpation provisions with respect to such Non-Recourse Indebtedness such as fraud, misapplication of cash, voluntary bankruptcy, environmental claims, breach of representations and warranties, failure to pay taxes and insurance, as applicable, and other circumstances customarily excluded by institutional lenders from exculpation provisions and/or included in separate indemnification agreements in non-recourse financings of commercial real estate.

"Default Rate" shall have the meaning specified in Section 2.01 of this Guaranty.

"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.

"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 or otherwise existing on any date.

"Foreign Corrupt Practices Act": Title 15 of the United States Code (15 U.S.C. §§ 78dd-1, *et seq.*), as amended, modified or replaced from time to time.

"GAAP": With respect to the financial statements or other financial information of any Person, generally accepted accounting principles in the United States which are in effect from time to time.

"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.

"Guarantee" means, as to any Person, any obligation of such Person directly or indirectly guaranteeing any Indebtedness of any other Person or in any manner providing for the payment of any Indebtedness of any other Person or otherwise protecting the holder of such Indebtedness against loss (whether by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, or to take-or-pay or otherwise); provided that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee of a Person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which the Guarantee is made and (b) the maximum amount for which such Person may be liable pursuant to the terms of the instrument embodying such Guarantee, unless such primary obligation or maximum amount for which such Person may be liable is not stated or determinable, in which case the amount of such Guarantee shall be such Person's maximum reasonably anticipated liability in respect thereof as determined by such Person in accordance with GAAP. The terms "Guarantee" and "Guaranteed" used as verbs shall have correlative meanings.

"Guarantor Claims": Defined in Section 6.25(a).

"Guarantor Indebtedness": Any and all Indebtedness of Seller, Guarantor or any other Person specified under the Transaction Documents to Buyer, the Indemnified Parties and any other Person specified under the Transaction Documents in connection with the Transaction Documents, including, but not limited to, the aggregate Repurchase Price outstanding, the aggregate Price Differential outstanding, all other Repurchase Obligations outstanding, and amounts that would be owed by Seller, Guarantor or any other Person to Buyer or any Indemnified Parties but for the fact that they are unenforceable or not allowable, including due to any Act of Insolvency of Seller, in each case of such Guarantor Indebtedness, howsoever created, arising, incurred, acquired or evidenced, whether existing now or arising hereafter, as such Guarantor Indebtedness may be amended, modified, extended, renewed or replaced from time to time.

"Guarantor Liabilities": Defined in Section 2.01.

"Guarantor Obligations": Defined in Section 2.01.

"Guaranty Limit": The amount equal to 100% of the aggregate outstanding Repurchase Price for all Purchased Loans, provided, that upon, and from and after, Guarantor having raised $50,000,000 of equity capital, the "Guaranty Limit" shall mean the sum of (a) twenty five percent (25%) of the aggregate outstanding Repurchase Price for Purchased Loans with a Debt Yield (Purchase Price), calculated as of the applicable Purchase Date for such Purchased Loans, equal to or greater than 10% and (b) one hundred percent (100%) of the aggregate outstanding Repurchase Price for Purchased Loans with a Debt Yield (Purchase Price), calculated as of the applicable Purchase Date for such Purchased Loans, less than 10%.

"Indebtedness": As to any Person at a particular time, without duplication, the following to the extent they are included as indebtedness or liabilities in accordance with GAAP:

(a) obligations created, issued or incurred by such Person for borrowed money (whether by loan, the issuance and sale of debt securities or the sale of property to another

Person subject to an understanding or agreement, contingent or otherwise, to repurchase such property from such Person);

(b) obligations of such Person to pay the deferred purchase or acquisition price of property or services, other than trade accounts payable (other than for borrowed money) arising, and accrued expenses incurred, in the ordinary course of business so long as such trade accounts payable are payable within sixty (60) days of the date the respective goods are delivered or the respective services are rendered;

(c) Indebtedness of others secured by a lien on the property of such Person, whether or not the respective Indebtedness so secured has been assumed by such Person;

(d) obligations (contingent or otherwise) of such Person in respect of letters of credit or similar instruments issued or accepted by banks and other financial institutions for the account of such Person;

(e) Capital Lease Obligations of such Person;

(f) obligations of such Person under repurchase agreements, sale/buy-back agreements or like arrangements;

(g) Indebtedness of others Guaranteed by such Person;

(h) all obligations of such Person incurred in connection with the acquisition or carrying of fixed assets by such Person;

(i) Indebtedness of general partnerships of which such Person is a general partner; and

(j) all net liabilities or obligations under any interest rate swap, interest rate cap, interest rate floor, interest rate collar or other hedging instrument or agreement.

"Intangible Assets": Assets that are considered to be intangible assets under GAAP, including customer lists, goodwill, computer software, copyrights, trade names, trademarks, patents, franchises, licenses, unamortized deferred charges (including deferred financing costs), unamortized debt discount and capitalized research and development costs; provided, however, that Intangible Assets shall not include real estate intangibles such as in-place lease value, above and below market lease value and deferred leasing costs which are purchase price allocations determined upon the acquisition of real estate.

"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 Act of Insolvency.

"Intangible Assets": With respect to Guarantor on any date, assets that are considered to be intangible assets under GAAP, including customer lists, goodwill, computer software, copyrights, trade names, trademarks, patents, franchises, licenses, unamortized deferred charges, unamortized debt discount and capitalized research and development costs.

"Internal Control Event": Fraud that involves management or other employees who have a significant role in the internal controls of Seller or Guarantor 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 (when exercised) 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 the Purchased Loan Documents, 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.

"Liquidity": For any Person and its Consolidated Subsidiaries, the sum of (a) cash and Cash Equivalents and (b) Available Borrowing Capacity.

"Multiemployer Plan": A Plan that is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Non Wholly-Owned Consolidated Affiliate": Each Consolidated Subsidiary of the Guarantor in which less than 100% of each class of the Capital Stock (other than directors' qualifying shares, if applicable) of such Consolidated Subsidiary are at the time owned, directly or indirectly, by the Guarantor.

"Non-Recourse Indebtedness": Indebtedness that is not Recourse Indebtedness.

"PBGC": The Pension Benefit Guaranty Corporation established pursuant to Section 4002 of ERISA or any successor thereto.

"Permitted Liens": Any of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding has been commenced: (a) Liens for state, municipal, local or other local taxes not yet due and payable or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP, (b) Liens imposed by Requirement of Law, such as materialmen's, mechanics', carriers', workmen's, repairmen's and similar Liens, arising in the ordinary course of business securing obligations that are not overdue for more than thirty (30) days, and (c) Liens granted pursuant to or by the Transaction Documents.

"Permitted Non-Recourse CLO Indebtedness": Indebtedness that is (i) incurred by a Subsidiary of Guarantor in the form of asset-backed securities commonly referred to as "collateralized loan obligations" or "collateralized debt obligations" and (ii) is Non-Recourse Indebtedness.

"Person": Any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, governmental authority or other entity.

"Plan": An employee pension benefit plan as defined in Section 3(2) of ERISA that is subject to Section 412 of the Code or Section 303 of ERISA in respect of which any Seller, Servicer, Guarantor or any Commonly Controlled Entity sponsors, contributes to or is obligated to contribute to, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be, an "employer" as defined in Section 3(5) of ERISA.

"Recourse Indebtedness": With respect to any Person, for any period, without duplication, the aggregate Indebtedness in respect of which such Person is subject to recourse for payment, whether as a borrower, guarantor or otherwise; provided, that Indebtedness arising pursuant to Customary Recourse Exceptions shall not constitute Recourse Indebtedness until such time (if any) as demand has been made for the payment or performance of such Indebtedness.

"Rating Agencies": Each of Fitch, Inc., Moody's, S&P and any other nationally recognized statistical rating agency.

"REIT": A Person qualifying for treatment as a "real estate investment trust" under the Code.

"Reportable Event": Any event set forth in Section 4043(c) of ERISA, other than an event as to which the notice period is waived under PBGC Reg. § 4043.

"Repurchase Obligations": All obligations of Seller to pay the Repurchase Price on the Repurchase Date and all other obligations and liabilities of Seller and Guarantor to Buyer arising under or in connection with the Transaction Documents, whether now existing or hereafter arising, and all interest and fees that accrue in connection with the Transaction Documents after the commencement by or against Seller or Guarantor of any Insolvency Proceeding naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding (in each case, whether due or accrued).

"Responsible Officer": With respect to any Person, the chief executive officer, the chief financial officer, the chief accounting officer, the presidents/co-presidents, the general counsel, the treasurer or the chief operating officer of such Person or such other officer designated as an authorized signatory in such Person's Governing Documents.

"Sanctioned Entity": (a) A country or a government of a country, (b) an agency of the government of a country, (c) an organization directly or indirectly controlled by a country or its government, (d) a Person resident in or determined to be resident in a country, that (in the case of the preceding clauses (a), (b), (c) and this clause (d)) is subject to a country sanctions program administered and enforced by the Office of Foreign Assets Control, or (e) a Person named on the list of Specially Designated Nationals maintained by the Office of Foreign Assets Control.

"Single Employer Plan": Any Plan that is not a Multiemployer Plan.

"Specified GAAP Reportable B Loan Transaction": A transaction involving either (i) the sale by the Guarantor or any Subsidiary of Guarantor of the portion of an investment consisting of an "A-Note", and the retention by the Guarantor or any Subsidiary of Guarantor of the portion of such Investment Asset consisting of a "B-Note", which transaction is required to be accounted for under GAAP as a "financing transaction" or (ii) the acquisition or retention by the Guarantor or any of its Subsidiaries of an Investment Asset consisting of a "b-piece" in a securitization facility, which transaction under GAAP results in all of the assets of the trust that is party to the securitization facility, and all of the bonds issued by such trust under such securitization facility that are senior to the "b-piece", to be consolidated on the Guarantor's consolidated balance sheet as assets and liabilities, respectively.

"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.

"Subsidiary": As to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person.

"Swap Agreement": Any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Guarantor or any of its Subsidiaries shall be a "Swap Agreement".

"Total Asset Value": With respect to any Person as of any date of determination, the net book value of the total assets of such Person and its Consolidated Subsidiaries on such date as determined in accordance with GAAP plus (x) accumulated depreciation and (y) amortization of real estate intangibles; provided, that Total Asset Value shall (i) exclude the amount of all restricted cash (other than reserves for Capital Expenditures) of such Person and its Consolidated Subsidiaries to the extent such cash supports obligations that do not constitute Consolidated Total Debt, (ii) include the net book value of assets associated with a Specified GAAP Reportable B Loan Transaction only to the extent in excess of the amount of any Indebtedness attributable to such Specified GAAP Reportable B Loan Transaction, (iii) include the net book value of assets associated with any Permitted Non-Recourse CLO Indebtedness and (iv) solely with respect to the net book value of the total assets of a Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of the net book value of such Non Wholly-Owned Consolidated Affiliate's total assets.

"Underlying Obligor": Individually and collectively, as the context may require, the Mortgagor and other obligor or obligors under a Purchased Loan, including (i) any Person that 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 Loan, and (ii) any other Person who has assumed or guaranteed the obligations of such Mortgagor under the Purchased Loan Documents relating to a Purchased Loan.

Section 1.02 Interpretive Provisions. Headings are for convenience only and do not affect interpretation. The following rules of this Section 1.02 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 Guaranty, all of which are hereby incorporated herein by this reference and made a part hereof. A reference to a party to this Guaranty or another agreement or document includes the party's permitted successors, substitutes or assigns. In the event there is more than one Seller or Guarantor, the act or omission by, or occurrence with respect to, any one Seller or Guarantor, as the case may be, shall be sufficient to result in the triggering of the applicable provision of the Transaction Documents. A reference to an agreement or document is to the agreement or document as amended, modified, novated, supplemented or replaced in accordance with the terms thereof, except to the extent prohibited by any Transaction Document. A reference to legislation or to a provision of legislation includes a modification, codification, replacement, amendment or

re-enactment 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 Guaranty as a whole and not to any particular provision of this Guaranty, 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 Guaranty 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 a document includes an agreement (as so defined) in writing or a certificate, notice, instrument or document, or any information recorded in computer disk form. Whenever a Person is required to provide any document to Buyer under the Transaction Documents, the relevant document shall be provided in writing including in the form of a PDF attachment to electronic mail or printed form unless Buyer requests otherwise. At the request of Buyer, the document shall be provided in electronic format or both printed and electronic format. The Transaction Documents are the result of negotiations between Seller, Guarantor and Buyer, have been reviewed by counsel to Buyer and counsel to Seller and Guarantor, 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 Transaction Documents or the Transaction 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 in any Transaction Document to Buyer’s discretion shall mean, unless otherwise expressly stated herein or therein, Buyer’s sole and absolute discretion (exercised in good faith), 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 unless otherwise expressly stated herein or therein shall be in the sole and absolute discretion of Buyer (exercised in good faith), and such decision shall be final and conclusive.

ARTICLE 2

GUARANTY OF PAYMENT AND PERFORMANCE

Section 2.01 **Guaranty**. Guarantor hereby absolutely, primarily, unconditionally and irrevocably guarantees to Buyer, as primary obligor, as guarantor of payment and performance and not as surety or guarantor of collection and as and for its own debt, until the final and indefeasible payment in full thereof, subject to the terms of this Section 2.01, (i) the payment, when due, by maturity, mandatory prepayment, acceleration or otherwise, of the Guarantor Indebtedness and any amounts due under Article 5 of this Guaranty, and (ii) the full and timely performance of, and compliance with, each and every duty, agreement, undertaking, indemnity, obligation and liability of Seller under the Transaction Documents strictly in accordance with the terms thereof (collectively, the "Guarantor Obligations" and, together with the Guarantor Indebtedness, the "Guarantor Liabilities"), in each case, however created, arising, incurred, acquired or evidenced, whether primary, secondary, direct, indirect, absolute, contingent, joint, several or joint and several, and whether now or hereafter existing or due or to become due, as the foregoing are amended, modified, extended, renewed or replaced from time to time. All payments by Guarantor under this Guaranty shall be in immediately available lawful money of the United States of America and without deduction, defense, set-off or counterclaim. Any amounts not paid when due shall accrue interest at the Pricing Rate applicable during the continuance of an Event of Default (such rate, the "Default Rate"). Notwithstanding any provision to the contrary contained herein or in any of the other Transaction Documents, the obligations of Guarantor hereunder shall be limited to an aggregate amount equal to the largest amount that would not render its obligations hereunder subject to avoidance under Section 548 of the Bankruptcy Code or any comparable provisions of any Requirement of Law of any state. Notwithstanding anything to the contrary contained herein, the Guarantor shall not be liable for any Guarantor Indebtedness in excess of the Guaranty Limit; provided, that such limitation shall not apply to the payment of any amounts that arise under Article 5 of this Guaranty or to any payment required pursuant to the Non-Recourse Carve Out Guaranty, which amounts under Article 5 and the Non-Recourse Carve-Out Guaranty, if applicable, are in addition to but without duplication of the amounts payable under this Guaranty.

Section 2.02 **Release of Collateral, Parties Liable, etc**. Guarantor agrees that, except as otherwise provided in the Repurchase Agreement, (a) any or all of the Purchased Loans and other collateral, security and property now or hereafter held for the Guaranty or the Guarantor Liabilities may be released, waived, exchanged, terminated, modified, sold, assigned, hypothecated, participated, pledged, compromised, surrendered or otherwise transferred or disposed of from time to time, (b) except as expressly set forth in the Transaction Documents, Buyer shall have no obligation to protect, perfect, secure, enforce, release, exchange or insure any Purchased Loans or any collateral, security, property, Liens, interests or encumbrances now or hereafter held for the Guaranty or the Guarantor Liabilities or the properties subject thereto, (c) the time, place, manner or terms of payment of the Guarantor Liabilities may be changed or extended, in whole or in part, to a time certain or otherwise, and may be renewed, increased, altered or accelerated, in whole or in part, (d) Buyer may take any action in the exercise of any right, power, remedy or privilege under the Transaction Documents or Requirement of Law or waive or refrain from exercising any of the

foregoing, (e) any of the provisions of the Repurchase Agreement and the other Transaction Documents and the Guarantor Liabilities may be modified, amended, waived, supplemented, replaced or restated from time to time, (f) any party liable for the payment of the Repurchase Obligations or the Guarantor Liabilities, including, without limitation, other guarantors, may be granted indulgences, released or substituted, (g) any deposit balance for the credit of Seller or any other party liable for the payment of the Guarantor Liabilities, including, without limitation, other guarantors, or liable upon any security therefor, may be released, in whole or in part, at, before and/or after the stated, extended or accelerated maturity of the Guarantor Liabilities and (h) Buyer may apply any sums by whomever paid or however realized to any amounts owing by any Guarantor, Seller or any other Person for the Repurchase Obligations or the Guarantor Liabilities in such manner as Buyer may determine in its discretion, subject to the terms of the Transaction Documents, all of the foregoing in clauses (a) through (h) without notice to or further assent by Guarantor, who shall remain bound thereon, notwithstanding any such exchange, compromise, surrender, extension, renewal, acceleration, modification, indulgence, release or other act.

Section 2.03 Waiver of Rights. Guarantor expressly waives: (a) notice of acceptance of this Guaranty by Buyer and of all extensions of credit, loans or advances to or purchases from Seller by Buyer; (b) diligence, presentment and demand for payment of any of the Guarantor Liabilities; (c) protest and notice of dishonor or of default to Guarantor or to any other party with respect to the Guarantor Liabilities or with respect to any collateral, security or property therefor; (d) notice of Buyer obtaining, amending, substituting for, releasing, waiving, modifying, extending, replacing or restating all or any portion of the Guarantor Liabilities, the Repurchase Agreement, any other Transaction Document, other guarantees or any Lien now or hereafter securing the Guarantor Liabilities or the Guaranty, or Buyer subordinating, compromising, discharging, terminating or releasing such Liens; (e) notice of the execution and delivery by Seller, Buyer or any other Person of any other loan, purchase, credit or security agreement or document or of Seller's or such other Person's execution and delivery of any promissory notes or other documents arising under or in connection with the Transaction Documents or in connection with any purchase of Seller's or such other Person's property or assets; (f) except as otherwise required pursuant to the Repurchase Agreement, notice of the occurrence of any breach by Seller or any other Person or of any Event of Default; (g) except as otherwise required pursuant to the Repurchase Agreement, notice of Buyer's transfer, disposition, assignment, sale, pledge or participation of the Guarantor Liabilities, the Purchased Loans, the Transaction Documents, the Purchased Loan Documents, or any collateral, security or property for the Guaranty or the Guarantor Liabilities or any portion of the foregoing; (h) except as otherwise required pursuant to the Repurchase Agreement, notice of the sale or foreclosure (or posting or advertising for sale or foreclosure) of all or any portion of any Purchased Loans or any collateral, security or property for the Guaranty or the Guarantor Liabilities; (i) notice of the protest, proof of non-payment or default by Seller or any other Person; (j) except as otherwise required pursuant to the Repurchase Agreement, any other action at any time taken or omitted by Buyer, and, generally, all demands and notices of every kind in connection with this Guaranty, the Transaction Documents, the Guarantor Liabilities, the Purchased Loans, any collateral, security or property for the Guaranty or the Guarantor Liabilities, the Purchased Loan Documents, any documents or agreements evidencing, securing or relating to any of the Guaranty or the Guarantor Liabilities and the obligations hereby guaranteed; (k) all other notices to which Guarantor might otherwise be entitled; (l) demand for payment under this Guaranty; (m) any right to assert against

Buyer, as a defense, counterclaim, set-off or cross-claim, any defense (legal or equitable), disability, set-off, counterclaim or claim of any kind or nature whatsoever that any Guarantor or Seller may now or hereafter have against Buyer (other than payment in full of the Guarantor Liabilities), Seller or any other Person, but such waiver shall not prevent Guarantor from asserting against Buyer in a separate action, any claim, action, cause of action or demand that Guarantor might have, whether or not arising out of this Guaranty; (n) to the fullest extent permitted by Requirement of Law, the right (if any) to revoke this Guaranty as to any future Guarantor Liabilities; and (o) any right at any time to insist upon, plead or in any manner whatsoever claim or take the benefit or advantage of any appraisal, valuation, stay, extension, marshalling of assets or redemption laws, or exemption, whether now or at any time hereafter in force, which may delay, prevent or otherwise effect the performance by Guarantor of the Guarantor Liabilities or the enforcement by Buyer of the Guarantor Liabilities or this Guaranty. It shall not be necessary for Buyer (and Guarantor hereby waives any rights which Guarantor may have to require Buyer), in order to enforce the obligations of Guarantor hereunder, to (i) institute suit, enforce its rights or exhaust its remedies against Seller, others liable on the Guarantor Liabilities, the Underlying Obligors or any other Person, (ii) enforce Buyer's rights or exhaust its remedies under or with respect to the Purchased Loan Documents and the collateral and property secured thereby, the Purchased Loans or any collateral, security or property which shall ever have been given to secure the Transaction Documents or the Guarantor Liabilities, (iii) enforce Buyer's rights against any other guarantors of the Guarantor Liabilities, (iv) join Seller or others liable on the Guarantor Liabilities or any other Person in any action seeking to enforce this Guaranty, (v) mitigate damages, take any other action to reduce, collect or enforce the Guarantor Liabilities or to pursue or refrain from pursuing any right or remedy which might benefit Guarantor or (vi) resort to any other means of obtaining payment of the Guarantor Liabilities.

Section 2.04 **Validity of Guaranty**. The validity of this Guaranty, the obligations of Guarantor hereunder and Buyer's rights and remedies for the enforcement of the foregoing shall in no way be terminated, abated, reduced, released, modified, changed, compromised, discharged, diminished, affected, limited or impaired in any manner whatsoever by the happening from time to time of any occurrence, condition, circumstance, event, action or omission of any kind whatsoever, including, without limitation, any of the following (and Guarantor hereby waives any common law, equitable, statutory, constitutional, regulatory or other rights (including rights to notice), defenses (legal and equitable), set-off, counterclaims and claims which Guarantor might have now or hereafter as a result of or in connection with any of the following): (a) Buyer's assertion or non-assertion or election of any of the rights or remedies available to Buyer pursuant to the provisions of the Transaction Documents, the Purchased Loan Documents or pursuant to any Requirement of Law and the impairment or elimination of Guarantor's rights of subrogation, reimbursement, contribution or indemnity against Seller or any other Person; (b) the waiver by Buyer of, or the failure of Buyer to enforce, or the lack of diligence by Buyer in connection with, the enforcement of any of its rights or remedies under the Transaction Documents, the Purchased Loan Documents, the Purchased Loans or any collateral, security or property for the Guaranty or the Guarantor Liabilities; (c) the granting by Buyer of (or failure by Buyer to grant) any indulgence, forbearance, adjustment, compromise, consent, approval, waiver or extension of time; (d) the exercise by Buyer of or failure to exercise any so-called self-help remedies; (e) any occurrence, condition, circumstance event, action or omission that might in any manner or to any extent vary, alter, increase, extend or continue the risk to Guarantor or might otherwise operate as a discharge or release of Guarantor under Requirement

of Law; (f) any full or partial release or discharge of or accord and satisfaction with respect to liability for the Guarantor Liabilities, or any part thereof, of Seller, Guarantor or any other Person now or hereafter liable, whether directly or indirectly, jointly, severally, or jointly and severally, to pay, perform, guarantee or assure the payment of the Guarantor Liabilities, or any part thereof; (g) the impairment, modification, change, release, discharge, limitation of the liability or insolvency of Seller, Guarantor, any Underlying Obligor or any Person liable for or obligated on the Guarantor Liabilities, or any of their estates in bankruptcy resulting from or pursuant to the bankruptcy or insolvency of any of the foregoing or the application of the Insolvency Laws or of or any decision of any court of the United States or any state thereof or of any foreign jurisdiction or Seller or Guarantor ceasing to be liable for all or any portion of the Guarantor Liabilities other than in accordance with the Transaction Documents; (h) any present or future Requirement of Law or order of any Governmental Authority (*de jure* or *de facto*) purporting to reduce, amend or otherwise affect the Guarantor Liabilities or to vary any terms of payment, satisfaction or discharge thereof; (i) the waiver, compromise, settlement, release, extension, amendment, change, modification, substitution, replacement, reduction, increase, alteration, rearrangement, renewal or termination of the terms of the Guarantor Liabilities, the Transaction Documents, the Purchased Loans, any collateral, security or property for the Guaranty or the Guarantor Liabilities, the Purchased Loan Documents, any or all of the obligations, covenants or agreements of Seller, the Underlying Obligors or any other Person under the Transaction Documents or Purchased Loan Documents (except by satisfaction in full of all Guarantor Liabilities) or of any Guarantor under this Guaranty and/or any failure of Buyer to notify any Guarantor of any of the foregoing; (j) the extension of the time for satisfaction, discharge or payment of the Guarantor Liabilities or any part thereof owing or payable by Seller or any other Person under the Transaction Documents or of the time for performance of any other obligations, covenants or agreements under or arising out of this Guaranty or the extension or renewal of any thereof; (k) any existing or future offset, counterclaim, claim or defense (other than payment in full of the Guarantor Liabilities) of Seller or any other Person against Buyer or against payment of the Guarantor Liabilities, whether such offset, claim or defense arises in connection with the Guarantor Liabilities (or the transactions creating same) or otherwise; (l) the taking or acceptance or refusal to take or accept or the existence of any other guaranty of or collateral, security or property for the Guarantor Liabilities in favor of Buyer, any other Indemnified Parties or any other Person specified in the Transaction Documents or the enforcement or attempted enforcement of such other guaranty, collateral, security or property; (m) any sale, lease, sublease or transfer of or Lien on all or a portion of the assets or property of Seller or Guarantor, or any changes in the shareholders, partners or members of Seller or Guarantor, or any reorganization, consolidation or merger of Seller or Guarantor; (n) the invalidity, illegality, insufficiency or unenforceability of all or any part of the Guarantor Liabilities, the Transaction Documents, the Purchased Loans, any collateral, security or property for the Transaction Documents or the Guarantor Liabilities, the Purchased Loan Documents or any document or agreement executed in connection with the foregoing, for any reason whatsoever, including, without limitation, the fact that (1) the Guarantor Liabilities, or any part thereof, exceeds the amount permitted by Requirement of Law or violates usury laws or exceeds the Repurchase Obligations, (2) the act of creating the Guarantor Liabilities, the Purchased Loans, the Transaction Documents, any collateral, security or property for the Guaranty or the Guarantor Liabilities or any part of the foregoing is *ultra vires*, (3) the officers or representatives executing the Purchased Loan Documents or Transaction Documents or otherwise creating the Guarantor Liabilities, the Purchased Loans or any collateral, security or property for the Guaranty or the Guarantor Liabilities acted in

excess of their authority, (4) Seller, any Underlying Obligor or any other Person has valid defenses, claims or offsets (whether at law, in equity or by agreement) which render the Guarantor Liabilities wholly or partially uncollectible, (5) the creation, performance or repayment of the Guarantor Liabilities, the Purchased Loans or any collateral, security or property for the Guaranty or the Guarantor Liabilities (or the execution, delivery and performance of any Transaction Document, Purchased Loan Document or document or instrument representing part of the Guarantor Liabilities, the Purchase Loans any collateral, security or property for the Guaranty or the Guarantor Liabilities or executed in connection with the Guarantor Liabilities, the Purchased Loans or any collateral, security or property for the Guaranty or the Guarantor Liabilities, or given to secure the repayment of the Guarantor Liabilities or the other Purchased Loans) is illegal, uncollectible or unenforceable or (6) any Purchased Loan Document, any Transaction Document or any other document, agreement or instrument has been forged or otherwise is irregular or not genuine or authentic; (o) any release, waiver, termination, sale, pledge, participation, transfer, surrender, exchange, subordination, deterioration, waste, loss, diminution or impairment (including, without limitation, negligent, willful, unreasonable or unjustifiable impairment) of the Purchased Loans or any collateral, security or property at any time existing in connection with, or assuring or securing payment of, all or any part of the Guaranty or the Guarantor Liabilities; (p) the failure of Buyer or any other Person to exercise diligence or reasonable care in the preservation, protection, enforcement, sale or other handling or treatment of all or any part of the Purchased Loans or any other collateral, security or property for the Guaranty or the Guarantor Liabilities, including, but not limited to, any neglect, delay, omission, failure or refusal of Buyer (1) to take or prosecute any action for the collection of any of the Guarantor Liabilities, any Purchased Loan or any collateral, security or property for the Guaranty or the Guarantor Liabilities, (2) to foreclose, or initiate any action to foreclose, or, once commenced, prosecute to completion any action to foreclose, upon any Purchased Loan or any security, collateral or property for the Guaranty or Guarantor Liabilities or (3) to take or prosecute any action in connection with any instrument or agreement evidencing or securing all or any part of the Guarantor Liabilities; (q) the existence, value, or condition of the Purchased Loans or any collateral, security, property or Lien securing the Transaction Documents or the Guarantor Liabilities, or the fact that the Purchased Loans or any collateral, security, property or Lien contemplated or intended to be given, created or granted as security for the repayment of the Guaranty or the Guarantor Liabilities, or any part thereof, shall not be properly perfected or created, or shall prove to be unenforceable, invalid, insufficient, illegal or subordinate to any other Lien or Buyer's actions or omissions in respect to any of the foregoing; (r) any payment by Seller or any other Person to Buyer is held to constitute a preference under Insolvency Laws, or for any reason Buyer is required to refund such payment or pay such amount to such Seller or other Person; (s) any act which may accelerate the operation of any statute of limitations applicable to the Guarantor Liabilities or (t) any event or action that would, in the absence of this Section 2.04, result in the full or partial, legal or equitable, release, discharge, defense of guaranty or surety or relief of Guarantor from the performance or observance of any obligation, covenant or agreement contained in this Guaranty or any other agreement, in each case, whether or not such event or action increases the likelihood that Guarantor will be required to pay the Guarantor Liabilities pursuant to the terms hereof or thereof and whether or not such event or action prejudices Guarantor, it being the unambiguous and unequivocal intention of Guarantor that Guarantor shall be obligated to pay the Guarantor Liabilities when due, notwithstanding any occurrence, condition, circumstance, event, action or omission whatsoever, whether contemplated or uncontemplated, and whether or not otherwise or particularly

or expressly described herein, which obligation shall be deemed satisfied only upon the full and final indefeasible payment and satisfaction of the Guarantor Liabilities.

Section 2.05 **Primary Liability of the Guarantor**. Without limiting the foregoing provisions, Guarantor agrees that this Guaranty may be enforced by Buyer without the necessity at any time of resorting to or exhausting any other security or collateral and without the necessity at any time of having recourse to any of the Transaction Documents, the Purchased Loans or any collateral, security or property now or hereafter securing the Transaction Documents or the Guarantor Liabilities or otherwise, and Guarantor hereby waives the right to require Buyer to proceed against Seller, any Underlying Obligor or any other Person or to require Buyer to pursue any other remedy or enforce any other right. Guarantor further agrees that Guarantor shall have no right of subrogation, reimbursement or indemnity whatsoever against any Person, or any right of recourse to the Purchased Loans or any collateral, security or property for the Guaranty or the Guarantor Liabilities, so long as any such Guarantor Liabilities remain outstanding. Guarantor further agrees that nothing contained herein shall prevent Buyer from suing on the Repurchase Agreement or any of the other Transaction Documents or foreclosing (whether by judicial or non-judicial foreclosing or enforcement) its security interest in or Lien on any Purchased Loan or any collateral, security or property now or hereafter securing the Transaction Documents or the Guarantor Liabilities or from exercising any other rights or remedies available to it under Requirement of Law, the Repurchase Agreement or any of the other Transaction Documents or any other instrument of security if none of Seller or Guarantor timely perform the obligations of Seller or other Persons thereunder, and the exercise of any of the aforesaid rights and the completion of any foreclosure proceedings shall not constitute a discharge of Guarantor's obligations hereunder; it being the purpose and intent of Guarantor that Guarantor's obligations hereunder shall be absolute, independent and unconditional under any and all circumstances. Guarantor agrees that any release by Buyer of Seller or Guarantor or with respect to the Purchased Loans or any other collateral, security or property now or hereafter securing the Transaction Documents shall not release Guarantor or affect the Guarantor Liabilities. Guarantor further agrees that Buyer is under no obligation to marshal any property or assets of Seller or Guarantor in favor of Guarantor or against or in payment of the Guarantor Liabilities. Buyer may, at its sole option, determine which of such remedies or rights it may pursue without affecting any of such rights and remedies under this Guaranty. If, in the exercise of any of its rights and remedies, Buyer shall forfeit any of its rights or remedies, including its right to enter a deficiency judgment against any obligor for Guarantor Obligations, whether because of any Requirement of Law pertaining to "election of remedies" or otherwise, Guarantor hereby consents to such action by Buyer and waives any claim based upon such action, even if such action by Buyer shall result in a full or partial loss of any rights of subrogation which Guarantor might otherwise have had but for such action by Buyer. Any election of remedies which results in the denial or impairment of the right of Buyer to seek a deficiency judgment against any obligor for Guarantor Obligations shall not impair Guarantor's obligation to pay the full amount of the Guarantor Obligations. Guarantor recognizes, acknowledges and agrees that Guarantor may be required to pay the Guarantor Liabilities in full without assistance or support of any other party, and Guarantor has not been induced to enter into this Guaranty on the basis of a contemplation, belief, understanding or agreement that other parties will be liable to pay or perform the Guarantor Liabilities, or that Buyer will look to other parties to pay or perform the Guarantor Liabilities. Guarantor recognizes, acknowledges and agrees that it is not entering into this Guaranty in reliance on, or in contemplation of the benefits of, the

validity, enforceability, collectability or value of the Purchased Loans or any of the collateral, security or property for the Guaranty or the Guarantor Liabilities. Guarantor acknowledges and agrees that Buyer shall not be liable for any occurrence, condition, circumstance, event, action or omission waived by Guarantor or permitted under the terms of this Guaranty.

Section 2.06 **Remedies**. Guarantor agrees that in the event Guarantor fails to pay its obligations hereunder when due and payable under this Guaranty, Buyer shall be entitled to (a) any and all remedies available to it under this Guaranty, the other Transaction Documents and/or Requirement of Law, including, without limitation, all rights of set-off, subject to the terms set forth herein, (b) the benefit of all Liens heretofore, now and at any time or times hereafter granted by such Guarantor to Buyer, if any, to secure such Guarantor's obligations hereunder and (c) interest on the Guarantor Liabilities at the Default Rate.

Section 2.07 **Term of Guaranty**. This Guaranty shall continue in full force and effect until the Guarantor Liabilities are fully and indefeasibly paid, performed and discharged and the Transaction Documents are terminated. This Guaranty covers the Guarantor Liabilities whether presently outstanding or arising subsequent to the date hereof, including all amounts advanced by Buyer in stages or installments. Notwithstanding the foregoing, this Guaranty shall remain in full force and effect and continue to be effective, or be reinstated, as the case may be, and any payment of the Guarantor Liabilities hereunder shall be reinstated, revived and restored if at any time this Guaranty, the obligations of Guarantor under this Guaranty, payment and/or performance of all or any portion of the Guarantee Liabilities or any transfer by Guarantor to Buyer or any Indemnified Party in payment of all or any portion of the Guarantor Liabilities is rescinded, reduced in amount or is otherwise restored or returned by Buyer or any Indemnified Party (or Buyer or any Indemnified Party elects to do so on the advice of counsel) due to any of the foregoing being void or voidable under any Insolvency Law, including but not limited to, provisions of the Bankruptcy Code related to preferences, fraudulent conveyances, other voidable or recoverable payments of money or transfers of property or otherwise, or upon or in connection with an Act of Insolvency or Insolvency Proceeding with respect to, or the insolvency of, Seller, any co-Guarantor or any other Person obligated on or for the Guarantor Liabilities, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, or the assignment for the benefit of creditors by, Seller, any co-Guarantor or such other Person or any substantial part of such Seller's, any co-Guarantor's or such other Person's property or assets, or otherwise, all as though such payments, transfer, performance or otherwise had not been made or occurred; provided, however, (i) if all or any portion of any payment, performance, transfer or otherwise is rescinded, reduced, restored or returned, the Guarantor Liabilities shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned and (ii) all reasonable costs and expenses (including, without limitation, any reasonable legal fees and disbursements) incurred by Buyer or any Indemnified Parties in connection with any of the foregoing shall be deemed to be included as a part of the Guarantor Liabilities.

Section 2.08 **Survival**. The provisions of this Article 2 shall survive the termination of the Transaction Documents and the full and indefeasible payment, performance and discharge of the Guarantor Liabilities.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES

From the date hereof until the Guarantor Liabilities are fully and indefeasibly paid, performed and discharged and the Transaction Documents are terminated, Guarantor hereby represents, warrants and, as applicable, covenants, to Buyer as follows:

Section 3.01 **Guarantor**. Guarantor 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. Guarantor (a) has all requisite power, authority, legal right, 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 (i) own, lease and operate its properties and assets, (ii) conduct its business as presently conducted and (iii) execute, deliver and perform its obligations under the Transaction Documents to which it is a party, except with respect to licenses, franchises and qualification to do business in clauses (a) or (b) to the extent failure to obtain any such license, franchise or qualification would not have made a Material Adverse Effect. Guarantor's exact legal name is set forth in the preamble and signature pages of this Guaranty. The fiscal year of Guarantor is the calendar year.

Section 3.02 **Transaction Documents**. This Guaranty has been duly executed and delivered by Guarantor and constitutes the legal, valid and binding obligation of Guarantor enforceable against Guarantor 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 Guarantor of each Transaction 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 or material Indebtedness, Guarantee Obligation or Contractual Obligation applicable to Guarantor or any of its properties or assets, (ii) Requirement of Law in any material respect, or (iii) approval, consent, judgment, decree, order or demand of any Governmental Authority, or (b) result in the creation of any material Lien (other than Permitted Liens) on any of the properties or assets of Guarantor. All approvals, authorizations, consents, orders, filings, notices or other actions of any Person or Governmental Authority required for the execution, delivery and performance by Guarantor of the Transaction Documents to which it is a party have been obtained, effected, waived or given and are in full force and effect. Unless notice is given to Buyer from time to time, there is no material litigation, proceeding or investigation pending or, to the knowledge of Guarantor, threatened, against Guarantor before any Governmental Authority (a) asserting the invalidity of any Transaction Document, (b) seeking to prevent the consummation of the Transaction Documents, any of the transactions contemplated by the Transaction Documents or any Transaction, or (c) seeking any determination or ruling that could reasonably be expected to have a Material Adverse Effect.

Section 3.03 **Solvency**. Guarantor is not and has never been the subject of an Insolvency Proceeding. Guarantor is Solvent, and this Guaranty and the transactions contemplated under the terms of the Transaction Documents do not and will not render Guarantor not Solvent. Guarantor is not entering into any of the Transaction Documents to which it is a party with the intent to hinder, delay or defraud any creditor of Guarantor. Guarantor has received or will receive reasonably equivalent value for the Guarantor Liabilities, and the Guarantor Liabilities (a) will not render Guarantor not Solvent, (b) will not leave Guarantor with an unreasonably small amount of capital to conduct its business and (c) will not cause Guarantor to have incurred debts (or to have intended to have incurred debts) beyond its ability to pay such debts as they mature. Guarantor 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. Guarantor is generally able to pay, and as of the date hereof is paying, its debts as they come due.

Section 3.04 **Taxes**. Guarantor has filed all required federal income tax returns and all other material tax returns, domestic and foreign, required to be filed by them and have paid all material taxes (including mortgage recording taxes), assessments, fees, and other governmental charges payable by them, or with respect to any of their properties or assets, which have become due and payable, except taxes that are being contested in good faith by appropriate proceedings diligently conducted and for which appropriate reserves have been established in accordance with GAAP. Guarantor has paid, or has provided adequate reserves for the payment of, all such taxes for all prior fiscal years and for the current fiscal year to date. There is no material action, suit, proceeding, investigation, audit or claim relating to any such taxes now pending, or, to the knowledge of Guarantor, threatened, by any Governmental Authority which is not being contested in good faith as provided above. Guarantor has not entered into any agreement or waiver or been requested to enter into any agreement or waiver extending any statute of limitations relating to the payment or collection of taxes, or is aware of any circumstances that would cause the taxable years or other taxable periods of Guarantor not to be subject to the normally applicable statute of limitations. No tax Liens (other than Permitted Liens) have been filed against any property or assets of Guarantor. Guarantor does not intend to treat any Transaction as being a "reportable transaction" as defined in Treasury Regulation Section 1.6011-4. If Guarantor determines to take any action inconsistent with such intention, it will promptly notify Buyer, in which case Buyer may treat each Transaction as subject to Treasury Regulation Section 301.6112–1 and will maintain the lists and other records required thereunder.

Section 3.05 **Financial Condition**. The unaudited financial statements of Guarantor and its Consolidated Subsidiaries of the fiscal quarter most recently ended, copies of which have been delivered to Buyer or filed with the Securities and Exchange Commission and certified by a Responsible Officer of Guarantor, are complete and correct and present fairly the consolidated financial condition of Guarantor and its Consolidated Subsidiaries as of such date. Commencing with the fiscal year ending December 31, 2018, the audited consolidated balance sheet of Guarantor and its Consolidated Subsidiaries as at the fiscal year most recently ended for which such audited balance sheet is available, and the related audited consolidated statements of operations, stockholders' equity and 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 consolidated financial condition of Guarantor and its Consolidated Subsidiaries as of such date and the consolidated results of its operations and consolidated 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. Except for Hedging Transactions entered into in connection with Section 12(e) of the Repurchase Agreement, Guarantor does not have any 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 reflected in the foregoing statements or notes. Since the date of the financial statements and other information most recently delivered to Buyer or filed with the Securities and Exchange Commission, Guarantor has not sold, transferred or otherwise disposed of any material part of its property or assets (except pursuant to the Transaction Documents) or acquired any property or assets (including Equity Interests of any other Person) that are material in relation to the consolidated financial condition of Guarantor.

Section 3.06 **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 any Guarantor to Buyer in connection with the Transaction Documents and the Transactions, when taken as a whole, do not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements herein or therein, in light of the circumstances under which they were made, not misleading. All written information furnished after the date hereof by or on behalf of any Guarantor to Buyer in connection with the Transaction Documents and the Transactions will be true, correct and complete in all material respects, or in the case of projections will be based on reasonable estimates prepared and presented in good faith, on the date as of which such information is stated or certified.

Section 3.07 **Compliance with Laws**. Guarantor has complied in all material respects with all Requirement of Law. Neither Guarantor nor any Affiliate of Guarantor (a) is an "enemy" or an "ally of the enemy" as defined in the Trading with the Enemy Act, (b) is in violation of any Anti-Terrorism Laws, (c) is a blocked person described in Section 1 of Executive Order 13224 or to its knowledge engages in any dealings or transactions or is otherwise associated with any such blocked person, (d) is in violation of any country or list based economic and trade sanction administered and enforced by the Office of Foreign Assets Control, (e) is a Sanctioned Entity, (f) has more than 10% of its assets located in Sanctioned Entities or (g) derives more than 10% of its operating income from investments in or transactions with Sanctioned Entities. The proceeds of any Transaction have not been and will not be used to fund any operations in, finance any investments or activities in or make any payments to a Sanctioned Entity. Neither Guarantor nor Seller (a) is, or is controlled by, an "investment company" as defined in the Investment Company Act, or is required to register as an "investment company" under the Investment Company Act, (b) is a "broker" or "dealer" as defined in, or could be subject to a liquidation proceeding under, the Securities Investor Protection Act of 1970 or (c) is subject to regulation by any Governmental Authority limiting its ability to incur the Repurchase Obligations or Guarantor Liabilities, as applicable. Guarantor and all Affiliates of Guarantor are in compliance with the Foreign Corrupt Practices Act and any foreign counterpart thereto. Guarantor has not made, offered, promised or authorized a payment of money or anything else of value (a) in order to assist in obtaining or retaining business for or with, or

directing business to, any foreign official, foreign political party, party official or candidate for foreign political office, (b) to any foreign official, foreign political party, party official or candidate for foreign political office, or (c) with the intent to induce the recipient to misuse his or her official position to direct business wrongfully to Guarantor, any other Repurchase Party or any other Person, in violation of the Foreign Corrupt Practices Act.

Section 3.08 **Compliance with ERISA**. With respect to Guarantor or any Commonly Controlled Entity, during the immediately preceding five (5) year period, (a) neither a Reportable Event nor an "accumulated funding deficiency" nor "an unpaid minimum required contribution" as defined in the Code or ERISA has occurred, (b) each Plan has complied in all material respects with the applicable provisions of the Code and ERISA, (c) no termination of a Single Employer Plan has occurred resulting in any liability that has remained underfunded, and (d) no Lien in favor of the PBGC or a Plan has arisen. The present value of all accumulated benefit obligations under each Single Employer Plan (based on the assumptions used for the purposes of Financial Accounting Statement Bulletin 87) relating to Guarantor or any Commonly Controlled Entity did not, as of the last annual valuation date prior to the date hereof, exceed the value of the assets of such Plan allocable to such accumulated benefit obligations. Neither Guarantor, nor any Affiliate of Guarantor is currently subject to any liability for a complete or partial withdrawal from a Multiemployer Plan. Guarantor does not provide any medical or health benefits to former employees other than as required by the Consolidated Omnibus Budget Reconciliation Act, as amended, or similar state or local law at no cost to the employer. None of the assets of Guarantor are deemed to be plan assets within the meaning of 29 C.F.R. 2510.3-101 as modified by Section 3(42) of ERISA.

Section 3.09 **No Default**. No Default or Event of Default exists. No Internal Control Event has occurred.

Section 3.10 **No Broker**. Neither Guarantor nor Seller has dealt with any broker, investment banker, agent or other Person, except for Buyer or an Affiliate of Buyer, who may be entitled to any commission or compensation in connection with any transaction under the Transaction Documents.

Section 3.11 **Financial Covenants**. Guarantor and Seller are in compliance with the financial covenants set forth in the Transaction Documents applicable to each.

Section 3.12 **Knowledge of Guarantor**. Guarantor further represents and warrants to Buyer that it has read and understands the terms of the Transaction Documents and is familiar with and has independent knowledge of, and has reviewed the books and records regarding, Seller's and any other Guarantor's financial condition and affairs, the value of the Purchased Loans and the circumstances bearing on the risk of nonpayment or nonperformance of the Guarantor Liabilities and represents and agrees that it will keep so informed while this Guaranty is in force; provided, however, Guarantor acknowledges and agrees that it is not relying on such financial condition or collateral as an inducement to enter into this Guaranty. Guarantor agrees that Buyer shall have no obligation to investigate the financial condition or affairs of Seller or Guarantor for the benefit of Guarantor or to advise Guarantor of any matter relating to or arising under the Repurchase Agreement or any of the other Transaction Documents or any fact respecting, or any change in, the financial condition or affairs of Seller that might come to the knowledge of Buyer at any time, whether or

not Buyer or any Guarantor knows or believes or has reason to know or believe that any such fact or change is unknown to Guarantor or might (or does) materially increase the risk of Guarantor as guarantor or might (or would) affect the willingness of Guarantor to continue as guarantor with respect to the Guarantor Liabilities.

Section 3.13 Compliance with Transaction Documents. Guarantor (i) has delivered to Buyer all financial statements, certifications and other information and documents required to be delivered by Guarantor under the Repurchase Agreement and any other Transaction Document and such other financial information as Buyer may from time to time reasonably require and that such financial statements and other information shall be true and correct in all material respects and fairly represent in all material respects the financial condition of such Guarantor and its Subsidiaries on the date of delivery, (ii) has not sold, assigned, transferred or otherwise conveyed, in a single transaction or in a series of transactions, any material asset or portion of a material asset which would (A) result in a Material Adverse Effect or (B) violate the Transaction Documents, (iii) has caused Seller to comply with each and every agreement, obligation, duty and covenant under the Transaction Documents and, to the extent Seller does not fulfill its agreements, obligations, duties and covenants under the Transaction Documents, Guarantor shall fulfill the same and (iv) has performed each and every agreement, obligation, duty and covenant under any Transaction Document that Seller covenants to cause Guarantor to do or not to do.

ARTICLE 4

COVENANTS

From the date hereof until the Guarantor Liabilities are fully and indefeasibly paid, performed and discharged and the Transaction Documents are terminated, Guarantor shall perform and observe the following covenants, which shall (a) 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), and (b) also apply to all Subsidiaries of Guarantor:

Section 4.01 **Existence; Governing Documents; Conduct of Business**. Guarantor 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 and (d) not modify or amend, in a manner which would have a Material Adverse Effect, or terminate its Governing Documents without Buyer's prior written consent (such consent not to be unreasonably withheld). Guarantor shall (a) continue to engage in the same general lines of business as presently conducted by it and (b) maintain and preserve all of its material rights, privileges, licenses and franchises necessary for the operation of its business.

Section 4.02 **Compliance with Laws, Contractual Obligations and Transaction Documents**. Guarantor shall comply in all material respects with all Requirement of Law, including those relating to the reporting and payment of taxes owed by it, and all of its Indebtedness, Contractual Obligations, Guarantee Obligations and Investments. 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.

Section 4.03 **Structural Changes**. Guarantor shall not enter into any merger or consolidation, or liquidate, wind up or dissolve, or sell all or substantially all of its assets or properties, without Buyer's prior written consent, except that so long as no Event of Default exists or would result therefrom, Guarantor may merge into or consolidate with another Person so long as (a) such merger or consolidation would not result in a Change of Control, (b) the continuing or surviving Person is the Guarantor and, (c) immediately following the merger or consolidation, the majority of the members of the board of directors (or the applicable equivalent) of the continuing or surviving Person are the same as the majority of the members of the board of directors (or applicable equivalent) of the Guarantor immediately prior to such merger or consolidation. Guarantor shall not sell, assign, transfer or otherwise convey, in a single transaction or in a series of transactions, any material asset or portion of a material asset which would (a) result in a Material Adverse Effect, (b) result in a Change of Control of Seller or (c) violate the Transaction Documents. Guarantor 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. Without Buyer's prior written consent, Guarantor shall not enter into any transaction or series of transactions, whether or not in the ordinary course of business, with an Affiliate, officer, director, shareholder, member or partner of Guarantor unless such transaction is on market and arm's-length terms and conditions.

Section 4.04 **Actions of Guarantor Relating to Distributions, Indebtedness, Guarantee Obligations, Contractual Obligations and Liens**. Guarantor 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 Guarantor or any Affiliate of Guarantor, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of Guarantor or any Affiliate of Guarantor; provided, that Guarantor may declare and pay any dividends or make distributions in accordance with its Governing Documents or make a 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 Guarantor or any Affiliate of Guarantor, to the extent permitted by its Governing Documents, so long as no Event of Default exists or would exist as a result thereof or to the extent required by Requirement of Law to maintain its REIT status. Guarantor shall not (a) contract, create, incur, assume, grant or permit to exist any Lien on or with respect to the Purchased Loans or any other collateral pledged under the Transaction Documents of any kind, except for Permitted Liens, or (b) except as provided in the preceding clause (a), grant, allow or enter into any agreement or arrangement with any Person that prohibits or restricts or purports to prohibit or restrict the granting of any Lien on any of the foregoing.

Section 4.05 **Delivery of Income**. To the extent Guarantor or any Affiliate of Guarantor receives any Income directly, Guarantor or such Affiliate of Guarantor shall deposit such amounts into the Cash Management Account within one (1) Business Day of receipt thereof. If any Income is received by Guarantor or any Affiliate of Guarantor, Guarantor shall hold such Income in trust for Buyer, segregated from other funds of Guarantor, until delivered to the Cash Management Account in accordance with the terms hereof and of the Transaction Documents. Neither Guarantor nor any Affiliate of Guarantor shall deposit or cause to be deposited to the Cash Management Account cash or cash proceeds other than Income or other payments required to be deposited therein under the Transaction Documents.

Section 4.06 **Delivery of Financial Statements and Other Information**. Guarantor shall deliver or cause to be delivered the following to Buyer, as soon as available and in any event within the time periods specified:

(a) within ninety (90) days after the end of each fiscal year of Guarantor, a consolidated balance sheet of Guarantor and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations, changes in shareholders' equity, and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, audited and accompanied by a report and opinion of an independent certified public accountant of nationally recognized standing reasonably acceptable to the Administrative Agent, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit; and

(b) within forty-five (45) days after the end of each of the first three fiscal quarters of each fiscal year of Guarantor, a balance sheet of Guarantor and its Subsidiaries as at the end of such fiscal quarter, the related consolidated statements of income or operations for such fiscal quarter and for the portion of Guarantor's fiscal year then ended, and the related consolidated statements of changes in shareholders' equity, and cash flows for the portion of Guarantor's fiscal year then ended, in each case setting forth in comparative form, as applicable, the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail, certified by the chief executive officer, chief financial officer, treasurer or controller of Guarantor as fairly presenting the financial condition, results of operations, shareholders' equity and cash flows of Guarantor and its Subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes.

Documents required to be delivered pursuant to the foregoing may be delivered by electronic communication (including email or otherwise) and if so delivered, shall be deemed to have been delivered on the date (i) on which the applicable party transmits such documents via email, (ii) on which the applicable party posts such documents, or provides a link thereto, on the applicable party's website on the Internet at at the website address listed on Schedule I to the Sixth Amendment to Master Repurchase Agreement (which website address may be updated by Seller by notice to Buyer), or (iii) on which such documents are posted on the applicable party's behalf on an Internet or intranet

website, if any, to which Buyer has access (whether a commercial, third-party website or whether sponsored by Buyer).

Section 4.07 **Delivery of Notices**. Guarantor shall promptly notify Buyer of the occurrence of any of the following of which Guarantor has knowledge (in each case to the extent Seller has not already provided notice of same to Buyer), together with a certificate of a Responsible Officer of Guarantor setting forth details of such occurrence and any action Guarantor has taken or proposes to take with respect thereto:

(a) with respect to Guarantor, any material violation of Requirement of Law, a material decline in the value of Guarantor's assets or properties, an Internal Control Event or any other event or circumstance that could reasonably be expected to have a Material Adverse Effect;

(b) the existence of any Default or Event of Default;

(c) in the event of a margin call (however defined or described in the applicable underlying Indebtedness documents) or other similar event occurs pursuant to which a lender or buyer requires any of Guarantor or any Affiliate of Seller or any Guarantor pursuant to another facility to post additional cash or assets in connection with any Indebtedness and the amount of any such margin call or other similar request made or outstanding on such day or the five (5) Business Day period in which such day occurs is equal to or greater than $2,000,000, Guarantor shall promptly (and in no event later than two (2) Business Days after any such margin call or request) provide Buyer notice of any such margin call(s) or request(s) which details (i) the amount of such margin call(s), (ii) the time period for such margin call(s) to be satisfied, (iii) whether cash or other assets were used to satisfy the margin call(s), (iv) the name of the counterparty and (v) any other information reasonably requested by Buyer with respect thereto;

(d) the establishment of a rating by any Rating Agency applicable to Guarantor or any Affiliate of Guarantor and any downgrade in or withdrawal of such rating once established; and

(e) the commencement of, settlement of or material judgment in any litigation, action, suit, arbitration, investigation or other legal or arbitral proceedings before any Governmental Authority that (i) affects Guarantor, (ii) questions or challenges the validity or enforceability of this Guaranty or (iii) individually or in the aggregate, if adversely determined, could reasonably be expected to have a Material Adverse Effect.

Section 4.08 **Acknowledgement**. Guarantor acknowledges and agrees with the statements set forth in Section 23 of the Repurchase Agreement and agrees not to take any action or position which is inconsistent with such statements. Guarantor further acknowledges the disclosures set forth in Section 24 of the Repurchase Agreement.

Section 4.09 **Compliance with Transaction Documents; Due Diligence**. Guarantor shall cause Seller to comply with each and every agreement, obligation, duty and covenant under the Transaction Documents. Guarantor shall keep informed of Seller's financial condition, the performance of the Purchased Loans, the financial condition of Guarantor and all circumstances which bear on the risk nonpayment or nonperformance of the Guarantor Liabilities.

Section 4.10 **Financial Covenants**. Guarantor shall at all times satisfy the following financial covenants, as determined quarterly following the end of each fiscal quarter of Guarantor on a consolidated basis in accordance with GAAP, consistently applied:

a) Minimum Liquidity. Liquidity at any time shall not be less than the lower of (i) Fifty Million Dollars ($50,000,000.00) and (ii) the greater of (A) Ten Million Dollars ($10,000,000.00) and (B) five percent (5%) of Guarantor's Recourse Indebtedness;

b) Minimum Consolidated Tangible Net Worth. Consolidated Tangible Net Worth at any time shall not be less than the sum of (i) $2,142,000,000.00, and (ii) seventy-five percent (75%) of the net cash proceeds thereafter received by the Guarantor (x) from any offering by the Guarantor of its common equity and (y) from any offering by the Sponsor of its common equity to the extent such net cash proceeds are contributed to the Guarantor, excluding any such net cash proceeds that are contributed to the Guarantor within ninety (90) days of receipt of such net cash proceeds and applied to purchase, redeem or otherwise acquire Capital Stock issued by the Guarantor (or any direct or indirect parent thereof);

c) Maximum Consolidated Leverage Ratio. The Consolidated Leverage Ratio at any time may not exceed 0.75 to 1.00; and

d) Minimum Interest Coverage Ratio. As of any date of determination, the ratio of (i) Consolidated EBITDA for the period of twelve (12) consecutive months ended on such date (if such date is the last day of a fiscal quarter) or the fiscal quarter most recently ended prior to such date (if such date is not the last day of a fiscal quarter) to (ii) Consolidated Interest Expense for such period shall not be less than 1.40 to 1.00.

ARTICLE 5

EXPENSES

Section 5.01 **Expenses**. Guarantor shall promptly on demand pay to, or as directed by, Buyer all third-party out-of-pocket costs and expenses (including reasonable 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, this Guaranty and the other Transaction Documents and the (b) the enforcement of and the exercise of remedies with respect to the Transaction Documents or this Guaranty or the payment or performance of the Repurchase Obligations or any Guarantor Liabilities, and such expenses shall be included in the Guarantor Liabilities. This Section 5.01 shall survive the termination of the Transaction Documents and the full and indefeasible payment, performance and discharge of the Guarantor Liabilities.

ARTICLE 6

MISCELLANEOUS PROVISIONS

Section 6.01 **Governing Law**. This Guaranty and any claim, controversy or dispute arising under or related to or in connection with this Guaranty, the relationship of the parties and/or the interpretation and enforcement of the rights and duties of the parties will be governed by the laws of the State of New York, without regard to any conflicts of law principles other than Section 5-1401 of the New York General Obligations Law.

Section 6.02 **Submission to Jurisdiction; Service of Process**. Guarantor 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 Transaction Documents, or for recognition or enforcement of any judgment, and Guarantor 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 Requirement of Law, in such federal court. Guarantor 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 Requirement of Law. Nothing in this Guaranty or the other Transaction Documents shall affect any right that Buyer or any Indemnified Party may otherwise have to bring any action or proceeding arising out of or relating to the Transaction Documents against Guarantor or its properties in the courts of any jurisdiction. Guarantor irrevocably and unconditionally waives, to the fullest extent permitted by Requirement 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 Transaction 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. Guarantor irrevocably consents to service of process in the manner provided for notices in Section 6.11. Nothing in this Guaranty will affect the right of any party hereto to serve process in any other manner permitted by Requirement of Law.

Section 6.03 **IMPORTANT WAIVERS**.

(a) GUARANTOR 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 PARTY.

(b) TO THE EXTENT PERMITTED BY REQUIREMENT OF LAW, GUARANTOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE BETWEEN IT AND BUYER OR ANY INDEMNIFIED PARTY, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, ARISING OUT OF, CONNECTED WITH OR RELATED TO THE TRANSACTION DOCUMENTS, THE PURCHASED LOANS, THE TRANSACTIONS, ANY DEALINGS OR COURSE OF CONDUCT BETWEEN IT AND BUYER OR ANY INDEMNIFIED PARTY, OR ANY STATEMENTS (WRITTEN OR ORAL) OR OTHER

ACTIONS OF EITHER PARTY OR ANY INDEMNIFIED PARTY. GUARANTOR WILL NOT 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, GUARANTOR AND BUYER EACH HEREBY WAIVES ANY RIGHT TO CLAIM OR RECOVER IN ANY LITIGATION WHATSOEVER INVOLVING ANY INDEMNIFIED PARTY, 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 PARTY TO ANY OF THE TRANSACTION DOCUMENTS NOR ANY INDEMNIFIED 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 TRANSACTION DOCUMENT OR THE TRANSACTIONS.

(d) GUARANTOR CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF BUYER OR AN INDEMNIFIED PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT BUYER OR AN INDEMNIFIED PARTY WOULD NOT SEEK TO ENFORCE ANY OF THE WAIVERS IN THIS SECTION 6.03 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 TRANSACTION DOCUMENTS, REGARDLESS OF THEIR LEGAL THEORY.

(e) GUARANTOR ACKNOWLEDGES THAT THE WAIVERS IN THIS SECTION 6.03 ARE A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT BUYER HAS ALREADY RELIED ON SUCH WAIVERS IN ENTERING INTO THE TRANSACTION DOCUMENTS, AND THAT BUYER WILL CONTINUE TO RELY ON SUCH WAIVERS IN ITS RELATED FUTURE DEALINGS UNDER THE TRANSACTION DOCUMENTS. GUARANTOR 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 6.03 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 TRANSACTION 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 6.03 SHALL SURVIVE TERMINATION OF THE TRANSACTION DOCUMENTS AND THE FULL AND INDEFEASIBLE PAYMENT, PERFORMANCE AND DISCHARGE OF THE GUARANTOR LIABILITIES.

Section 6.04 Integration. The Transaction Documents supersede and integrate all previous negotiations, contracts, agreements and understandings (whether written or oral) between the Persons party thereto relating to a sale and repurchase of Purchased Loans, Guarantor's guaranty of the Guarantor Liabilities and the other matters addressed by the Transaction Documents, and contain the entire final agreement of the Persons party thereto relating to the subject matter thereof.

Section 6.05 Survival and Benefit of Guarantor's Agreements. This Guaranty shall be binding on and shall inure to the benefit of Buyer, Guarantor and their successors and permitted assigns. All of Guarantor's indemnities in this Guaranty, and all other provisions in this Guaranty that, by their terms, expressly survive termination of the Transaction Documents, shall survive the termination of the Transaction Documents and the full and indefeasible payment, performance and discharge of the Guarantor Liabilities and the Repurchase Obligations, and shall apply to and benefit all Indemnified Parties, Buyer and its successors and assigns. No other Person shall be entitled to any benefit, right, power, remedy or claim under this Guaranty.

Section 6.06 Cumulative Rights. All rights of Buyer hereunder or otherwise arising under the Transaction Documents or any documents executed in connection with or as security for the Guarantor Liabilities or under Requirement of Law are separate and cumulative and may be pursued separately, successively or concurrently, or not pursued, without affecting, limiting or impairing any other right of Buyer and without limiting, affecting or impairing the liability of Guarantor.

Section 6.07 Usury. Notwithstanding any other provision contained herein to the contrary, no provision of this Guaranty shall require or permit the collection from Guarantor of interest in excess of the maximum rate or amount that Guarantor may be required or permitted to pay pursuant to any Requirement of Law. In the event any such interest is collected, it shall be applied in reduction of Guarantor's obligations hereunder, and the remainder of such excess collected shall be returned to Guarantor once such obligations have been fully satisfied.

Section 6.08 Assignments.

(a) Guarantor shall not sell, assign, delegate or transfer any of its rights, Guarantor Liabilities or any other duties or obligations under this Guaranty or the other Transaction Documents without the prior written consent of Buyer (which may be granted or withheld in its discretion), and any attempt by Guarantor to do so without such consent shall be null and void.

(b) Buyer may at any time sell, assign, delegate or transfer any of its rights and/or obligations under this Guaranty and/or the Guarantor Liabilities subject to the terms and conditions of Section 19 of the Repurchase Agreement.

(c) Guarantor shall cooperate with Buyer in connection with any such sale and assignment of participations or assignments and shall enter into such restatements of, and amendments, supplements and other modifications to, this Guaranty to give effect to any such sale or assignment; provided, that none of the foregoing shall change any economic or other material term of this Guaranty in a manner adverse to Guarantor without the consent of Guarantor in its commercially reasonable discretion.

Section 6.09 Confidentiality. All information regarding the terms set forth in any of the Transaction Documents shall be kept confidential and shall not be disclosed by Guarantor to any Person except (a) to the Affiliates of Guarantor or its or their respective directors, officers, employees, agents, advisors, attorneys and other representatives who are informed of the confidential nature of such information and instructed to keep it confidential, (b) to the extent requested by any regulatory authority or required by Requirement of Law, (c) to the extent required to be included in the financial statements of Guarantor or an Affiliate thereof, (d) to the extent required to exercise any rights or remedies under the Transaction Documents, the Purchased Loans, the Purchased Loan Documents or Mortgaged Properties, (e) to the extent required to consummate and administer a Transaction, (f) to the extent required in connection with any litigation between the parties in connection with any Transaction Document or (g) to any actual or prospective participant, assignee, pledge transferee or any counterparty to any Hedge Transaction which agrees to comply with this Section 6.09; provided, that no such disclosure made with respect to any Transaction Document shall include a copy of such Transaction Document to the extent a summary would suffice, and any such disclosure shall redact all pricing and other economic terms set forth therein to the extent such disclosure can be satisfied by a redacted copy of such Transaction Document. Notwithstanding anything to the contrary contained herein or in any Transaction Document, Guarantor and any Affiliate of Guarantor shall be entitled to disclose any and all terms of any Transaction Document (including the public filing thereof) if the Guarantor, in its sole discretion, deems it necessary or appropriate under the rules or regulations of the Securities and Exchange Commission and/or the New York Stock Exchange.

Section 6.11 No Implied Waivers; Amendments. No failure on the part of Buyer to exercise, or delay in exercising, any right or remedy under the Transaction 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 Transaction Documents are cumulative and not exclusive of any rights and remedies provided by Requirement of 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 Transaction Documents, no amendment, waiver or other modification of any provision of this Guaranty shall be effective without the signed agreement of Guarantor and Buyer. Any waiver or consent under

the Transaction 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 6.12 **Notices and Other Communications.** Unless otherwise provided in this Guaranty, 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 set forth below 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 on a Business Day (or if not a Business Day, on the next Business Day thereafter). A party receiving a notice that does not comply with the technical requirements of this Section 6.12 may elect to waive any deficiencies and treat the notice as having been properly given.

If to Guarantor:

Credit RE Operating Company, LLC
c/o Colony NorthStar, Inc.
590 Madison Avenue, 34th Floor
New York, New York 10022
Attn: David A. Palamé
Tel: (212) 230-3325
Fax: (646) 837-5323
Email: dpalame@clns.com

with a copy to:

Ropes & Gray LLP
1211 Avenue of the Americas
New York, New York 10036
Attn: Daniel L. Stanco, Esq.
Tel: (212)841-5758
Fax: (646) 728-1677
Email: Daniel.Stanco@ropesgray.com

If to Buyer:

Citibank, N.A.
388 Greenwich Street
New York, New York 10013
Attention: Richard Schlenger
Email:Richard.schlenger@citi.com
Tel: (212) 816-7806
Fax: (212) 816-8307

with a copy to:

Sidley Austin LLP
787 Seventh Avenue
New York, New York 10019
Attention: Brian Krisberg, Esq.
Email: bkrisberg@sidley.com
Tel: (212) 839-8735
Fax: (212) 839-5599

Section 6.13 Counterparts; Electronic Transmission. This Guaranty may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall together constitute but one and the same instrument. Guarantor agrees that this Guaranty, any documents to be delivered pursuant to this Guaranty, any other Transaction Document and any notices hereunder may be transmitted between them by email and/or facsimile. Guarantor intends that faxed signatures and electronically imaged signatures such as PDF files shall constitute original signatures and are binding on Guarantor.

Section 6.14 No Personal Liability. No administrator, incorporator, Affiliate, owner, member, partner, stockholder, officer, director, employee, agent or attorney of Guarantor, Buyer or any Indemnified Party, as such, shall be subject to any recourse or personal liability under or with respect to any obligation of Buyer or Guarantor under the Transaction 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 Guarantor under the Transaction 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 6.14 shall survive the termination of the Transaction Documents and the full and indefeasible payment, performance and discharge of the Guarantor Liabilities.

Section 6.15 Buyer's Waiver of Set-off. Buyer, solely in its capacity as Buyer under the Transaction Documents, hereby waives any right of set-off it may have or to which it may be or become entitled under the Transaction Documents or, solely to the extent related to the Transaction Documents, Requirement of Law, against Guarantor.

Section 6.16 Guarantor's Waiver of Set-off. Guarantor hereby waives any right of set-off it may have or to which it may be or become entitled under the Transaction Documents, Requirement of Law or otherwise against Buyer, any Affiliate of Buyer, any Indemnified Party or their respective assets or properties.

Section 6.17 Periodic Due Diligence Review. Buyer may perform continuing due diligence reviews with respect to Guarantor and any Affiliates of Guarantor, 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 Transaction Documents or otherwise. Upon reasonable prior notice to Guarantor, unless a Default or Event of Default exists, in which case no notice is required, Buyer or its representatives may during normal business hours inspect any properties and examine, inspect and make copies of

the books and records of Guarantor and any Affiliates of Guarantor, the Purchased Loan Documents and the Servicing Records. Guarantor shall make available to Buyer one or more knowledgeable financial or accounting officers and representatives of the independent certified public accountants of Seller and Guarantor for the purpose of answering questions of Buyer concerning any of the foregoing. Guarantor shall pay all costs and expenses (including legal fees and expenses) incurred by Buyer in connection with Buyer's activities pursuant to this Section 6.17, subject to the terms and conditions set forth in Section 27 of the Repurchase Agreement.

Section 6.18 Time of the Essence. Time is of the essence with respect to all obligations, duties, covenants, agreements, notices or actions or inactions of Guarantor under the Transaction Documents.

Section 6.19 Severability. Each provision of this Guaranty shall be valid, binding and enforceable to the fullest extent permitted by Requirement of Law. In case any provision in or obligation, duty, covenant or agreement under this Guaranty or the other Transaction Documents shall be invalid, illegal or unenforceable in any jurisdiction (either in its entirety or as applied to any Person, fact, circumstance, action or inaction), the validity, legality and enforceability of the remaining provisions, obligations, duties, covenants and agreements, or of such provision, obligation, duty, covenant or agreement in any other jurisdiction or as applied to any Person, fact, circumstance, action or inaction, shall not in any way be affected or impaired thereby.

Section 6.20 Headings; Exhibits. The headings herein are for purposes of references only and shall not otherwise affect the meaning or interpretation of any provision hereof. The schedules, exhibits and annexes (if any) attached hereto and referred to herein shall constitute a part of this Guaranty and are incorporated into this Guaranty for all purposes.

Section 6.21 Recitals. The recital and introductory paragraphs hereof are a part hereof, form a basis for this Guaranty and shall be considered *prima facie* evidence of the facts and documents referred to therein.

Section 6.22 Additional Liability of Guarantor. If Guarantor is or becomes liable for any Indebtedness owing by Seller to Buyer by endorsement or otherwise than under this Guaranty, such liability shall not be in any manner impaired or reduced hereby but shall have all and the same force and effect it would have had if this Guaranty had not existed and such Guarantor's liability hereunder shall not be in any manner impaired or reduced thereby.

Section 6.23 Bankruptcy Code Waiver. In the event that Seller becomes a debtor in any proceeding under the Bankruptcy Code, Guarantor shall not be deemed to be a "creditor" (as defined in Section 101 of the Bankruptcy Code) of Seller, by reason of the existence of this Guaranty, and in connection herewith, Guarantor hereby waives any such right as a "creditor" under the Bankruptcy Code. This waiver is given to induce Buyer to enter into the transactions contemplated by the Transaction Documents. After the Guarantor Liabilities are fully and indefeasibly paid, performed and discharged, there shall be no obligations or liabilities under this Guaranty outstanding and the Transaction Documents are terminated, this waiver shall be deemed to be terminated.

Section 6.24 Action by Affiliates. No encumbrance, assignment, leasing, subletting, sale or other transfer by Seller or any Affiliate of the foregoing of any of Seller's or any Affiliate of the foregoing's assets or property shall operate to extinguish or diminish the liability of Guarantor under this Guaranty.

Section 6.25 Subordination.

(a) As used in this Guaranty, the term "Guarantor Claims" shall mean all debts, liabilities and other Indebtedness of Seller or any other Repurchase Party to Guarantor, whether such debts, liabilities and other Indebtedness now exist or are hereafter incurred or arise, or whether the obligations of such Seller or Guarantor thereon be direct, contingent, primary, secondary, joint, several, joint and several, or otherwise, and irrespective of whether such debts, liabilities or other Indebtedness be evidenced by note, contract, open account or otherwise, and irrespective of the Person or Persons in whose favor such debts, liabilities or other Indebtedness may, at their inception, have been, or may hereafter be created, or the manner in which they have been or may hereafter be acquired by Guarantor. Guarantor Claims shall include, without limitation, all rights and claims of Guarantor against Seller (arising as a result of subrogation or otherwise) as a result of Guarantor's payment of all or a portion of the Guarantor Liabilities. All Guarantor Claims are and shall be subordinate to the Guarantor Liabilities.

(b) In the event of any Insolvency Proceedings involving Guarantor as debtor, Buyer shall have the right to prove its claim in any such proceeding so as to establish its rights hereunder and receive directly from the receiver, trustee or other court custodian distributions and any payments which would otherwise be payable upon Guarantor Claims to the extent of any sums owed by Guarantor hereunder. Guarantor hereby assigns such distributions and payments to Buyer. Should Buyer receive, for application upon the Guarantor Liabilities, any such distribution or payment which is otherwise payable to Guarantor, and which, as between Seller on the one hand and Guarantor on the other, shall constitute a credit upon Guarantor Claims, then upon payment to Buyer in full of the Repurchase Obligations, Guarantor shall become subrogated to the rights of Buyer to the extent that such payments to Buyer on Guarantor Claims have contributed toward the liquidation of the Repurchase Obligations, and such subrogation shall be with respect to that proportion of the Repurchase Obligations which would have been unpaid if Buyer had not received distributions or payments upon Guarantor Claims.

(c) In the event that, notwithstanding anything to the contrary in this Guaranty, Guarantor should receive any funds, payment, claim or distribution which is prohibited by this Guaranty, Guarantor agrees to hold in trust for Buyer an amount equal to the amount of all funds, payments, claims or distributions so received, and agrees that it shall have absolutely no dominion over the amount of such funds, payments, claims or distributions so received except to pay them promptly to Buyer, and Guarantor covenants promptly to pay the same to Buyer.

(d) Guarantor agrees that any claims, charges or Liens against Seller or Guarantor and/or Seller's or Guarantor's assets and property with respect to Guarantor Claims shall be and remain inferior and subordinate to any claims, charges or Liens of Buyer against Seller or Guarantor and/or Seller's or Guarantor's assets and property, regardless of whether such claims, charges or Liens in favor of Guarantor or Buyer presently exist or are hereafter created or attach. Without Buyer's

prior written consent (which may be granted or withheld in its discretion), Guarantor shall not (i) exercise or enforce any creditor's right it may have against Seller, or (ii) foreclose, repossess, sequester or otherwise take steps or institute any action or proceedings (judicial or otherwise, including, without limitation, the commencement of, or joinder in, any Insolvency Proceeding) to enforce any claims, charges, Liens, mortgage, deeds of trust, security interests, collateral rights, judgments or other encumbrances against Seller or the assets or property of Seller held by Guarantor.

Section 6.26 Commercial Transaction. To induce Buyer to accept this Guaranty and enter into the transactions evidenced by and secured by the Transaction Documents, Guarantor agrees that said transactions are commercial and not consumer transactions.

Section 6.27 Taxes.

(a) All payments made by Guarantor to Buyer or any other Indemnified Party under the Transaction Documents shall be made free and clear of and without deduction or withholding for or on account of any present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities (including penalties, interest and additions to tax) with respect thereto imposed by any Governmental Authority therewith or thereon, excluding income taxes, branch profits taxes, franchise taxes or any other tax imposed on net income by the United States, a state or a foreign jurisdiction under the laws of which Buyer or such other Indemnified Party is organized or of its applicable lending office, or a state or foreign jurisdiction with respect to which Buyer or such other Indemnified Party has a present or former connection, or any political subdivision thereof (collectively, "Taxes"), all of which shall be paid by Guarantor for its own account not later than the date when due. If any taxes are required to be deducted or withheld from any amounts payable to Buyer and/or any other Indemnified Party, then Guarantor shall (a) make such deduction or withholding, (b) pay the amount so deducted or withheld to the appropriate Governmental Authority not later than the date when due; and (c) pay to Buyer or other Indemnified Party such additional amounts (the "Additional Amount") as may be necessary so that every net payment made under this Guaranty after deduction or withholding for or on account of any Taxes (including any Taxes on such increase and any penalties) is not less than the amount that would have been paid absent such deduction or withholding. The foregoing obligation to pay Additional Amounts, however, will not apply with respect to (i) net income or franchise taxes imposed on Buyer and/or any other Indemnified Party, with respect to payments required to be made by Guarantor under the Transaction Documents, by a taxing jurisdiction in which Buyer and/or any other Indemnified Party is organized, conducts business or is paying taxes (as the case may be). Promptly after Guarantor pays any taxes referred to in this Section 6.27, Guarantor will send Buyer appropriate evidence of such payment.

(b) In addition, Guarantor agrees to pay to the relevant Governmental Authority in accordance with applicable law any current or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies (including, without limitation, mortgage recording taxes, transfer taxes and similar fees) imposed by the United States or any taxing authority thereof or therein that arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Guaranty ("Other Taxes").

(c) Guarantor agrees to indemnify Buyer for the full amount of Taxes (including additional amounts with respect thereto) and Other Taxes, and the full amount of Taxes of any kind imposed by any jurisdiction on amounts payable under this Section 6.27(c), and any liability (including penalties, interest and expenses arising thereon or with respect thereto) arising therefrom or with respect thereto, provided, that Buyer shall have provided Guarantor with evidence, reasonably satisfactory to Guarantor, of payment of Taxes or Other Taxes, as the case may be.

(d) Without prejudice to the survival or any other agreement of Guarantor hereunder, the agreements and obligations of Guarantor contained in this Section 6.27 shall survive the termination of this Guaranty. Nothing contained in this Section 6.27 shall require Buyer to make available any of their tax returns or other information that it deems to be confidential or proprietary.

Section 6.28 Patriot Act Notice. Buyer hereby notifies Guarantor that Buyer is required by the Patriot Act to obtain, verify and record information that identifies Guarantor.

Section 6.29 Successive Actions. A separate right of action hereunder shall arise each time Buyer acquires knowledge of any matter indemnified or guaranteed by Guarantor under this Guaranty. Separate and successive actions may be brought hereunder to enforce any of the provisions hereof at any time and from time to time. No action hereunder shall preclude any subsequent action, and Guarantor hereby waives and covenants not to assert any defense in the nature of splitting causes of action or merger of judgments.

Section 6.30 Effect of Amendment and Restatement. From and after the date hereof, the Original Guaranty shall be amended, restated and superseded in its entirety by this Guaranty and Buyer hereby releases Original Guarantor from all liability relating to the payments, covenants, conditions, stipulations and other obligations contained in or arising under the Original Guaranty, except for any liability which may have accrued prior to the date hereof against Original Guarantor under the Original Guaranty for which a claim has been made prior to the date hereof.

[Remainder of This Page Intentionally Left Blank]

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed as of the date first written above.

GUARANTOR:

CREDIT RE OPERATING COMPANY, LLC, a Delaware limited liability company

By: /s/ David A. Palamé
Name: David A. Palamé
Title: Vice President

ACCEPTED AND AGREED:

BUYER:

CITIBANK, N.A.,
a national banking association

By: /s/ Richard B. Schlenger
Name: Richard B. Schlenger
Title: Authorized Signatory

Exhibit 10.20

THIRD AMENDMENT TO MASTER REPURCHASE AGREEMENT

THIRD AMENDMENT TO MASTER REPURCHASE AGREEMENT, dated as of January 31, 2018 (this "Amendment"), by and between NS INCOME DB LOAN, LLC, a Delaware limited liability company ("Master Seller"), and DEUTSCHE BANK AG, CAYMAN ISLANDS BRANCH, a branch of a foreign banking institution ("Buyer"), and acknowledged and agreed to by CREDIT RE OPERATING COMPANY, LLC, a Delaware limited liability company ("Sponsor"), and NS INCOME DB LOAN MEMBER, LLC, a Delaware limited liability company ("Member"). Capitalized terms used but not otherwise defined herein shall have the respective meanings given to them in the Repurchase Agreement (as hereinafter defined).

RECITALS

WHEREAS, Master Seller and Buyer are parties to that certain Master Repurchase Agreement, dated as of March 11, 2013 (as amended, modified and/or restated, the "Repurchase Agreement") between Master Seller and Buyer;

WHEREAS, NorthStar Real Estate Income Trust, Inc., a Maryland corporation ("NS Income I"), and NorthStar Real Estate Income Trust Operating Partnership, LLC, a Delaware limited liability company (formerly known as NorthStar Real Estate Income Trust Operating Partnership, LP, "Operating Partnership"; and together with NS Income I, "Original Sponsor") guaranteed the obligations of Seller under the Repurchase Agreement and the other Transaction Documents pursuant to that certain Guaranty, dated as of March 11, 2013 (as amended, modified and/or restated, the "Original Guaranty"), from Original Sponsor to Buyer;

WHEREAS, Member guaranteed the obligations of Seller under the Repurchase Agreement and the other Transaction Documents pursuant to that certain Member Guaranty, dated as of March 11, 2013 (as amended, modified and/or restated, the "Member Guaranty"), from Member to Buyer;

WHEREAS, Master Seller and Buyer amended the Repurchase Agreement pursuant to (i) that certain First Amendment to Master Repurchase Agreement, dated as of October 8, 2013 (the "First Amendment"), by and between Master Seller and Buyer, and acknowledged and agreed to by Original Sponsor and Member and (ii) that certain Second Amendment to Master Repurchase Agreement, dated as of January 6, 2016 (the "Second Amendment"), by and among Master Seller, Buyer and Original Sponsor, and acknowledged and agreed to by Member;

WHEREAS, pursuant to a certain combination agreement, dated as of August 25, 2017 (as amended, modified and/or restated, the "Combination Agreement"), Original Sponsor and certain of its Affiliates agreed to enter into certain transactions (collectively, the "Combination") with certain subsidiaries of Colony NorthStar, Inc. ("CLNS") including the merger of NS Income I and certain of its Affiliates in all-stock mergers into Colony NorthStar Credit Real Estate, Inc. ("CLNS Credit RE");

WHEREAS, in connection with the Combination, Master Seller, on behalf of itself and each Series Seller that is a party to a Transaction under the Repurchase Agreement as of the date hereof, and Buyer wish to further amend and modify the Repurchase Agreement upon the terms and conditions hereinafter set forth; and

WHEREAS, in connection with the Combination, Sponsor, being the wholly-owned subsidiary of CLNS Credit RE, has guaranteed the obligations of Seller under the Repurchase Agreement and the other Transaction Documents pursuant to an Amended and Restated Guaranty, dated as of the date hereof (the "A&R Guaranty"), from Sponsor to Buyer, which A&R Guaranty amends and restates the Original Guaranty.

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Master Seller, on behalf of itself and each Series Seller that is a party to a Transaction under the Repurchase Agreement as of the date hereof, and Buyer hereby agree that the Repurchase Agreement shall be amended and modified as follows:

1. Amendments to the Repurchase Agreement.

(a) Section 2(a) of the Repurchase Agreement is hereby amended by adding the following defined terms (in the proper alphabetical order):

"CLNS Credit RE" shall mean Colony NorthStar Credit Real Estate, Inc., a Maryland corporation.

"Financing Fee" shall mean, with respect to any Transaction as of any date, the aggregate amount obtained by daily application of the Financing Fee Rate to the then outstanding Purchase Price for such Transaction on a 360-day-per-year basis for the actual number of days during the period commencing on (and including) the Purchase Date for such Transaction and ending on the date of determination (reduced by any amount of such Financing Fee previously paid by Seller to Buyer with respect to such Transaction).

"Financing Fee Cap" shall have the meaning specified in Section 3(o).

"Financing Fee Rate" shall have the meaning specified in Section 3(o).

"Financing Fee Payee" shall have the meaning specified in Section 3(o).

"Third Amendment" shall mean that certain Third Amendment to Master Repurchase Agreement, dated as of January 31, 2018, by and between Master Seller and Buyer, and acknowledged and agreed to by Sponsor and Member.

(b) Section 2(a) of the Repurchase Agreement is hereby amended by deleting the definitions of "NS Income I" in its entirety.

(c) Section 2(a) of the Repurchase Agreement is hereby amended by deleting the definitions of "Asset Management Agreement", "Change of Control", "Guaranty", "Manager" and "Sponsor" in their entirety and replacing same with the following:

"Asset Management Agreement" shall mean that certain Management Agreement, dated as of January 31, 2018, by and among CLNS Credit RE, Sponsor and Manager, or such other asset management or advisory agreement with respect to CLNS Credit RE acceptable to Buyer in its reasonable discretion, in each case, as same shall be amended, modified and/or restated from time to time.

"Change of Control" shall mean any of the following events shall have occurred without the prior written approval of Buyer: : (i) if Manager is no longer the manager of CLNS Credit RE; (ii) any "person" or "group" (within the meaning of Section 13(d) or 14(d) of the 1934 Act) shall become, or obtain rights (whether by means of warrants, options or otherwise) to become, the beneficial owner, directly or indirectly, of 49% or more of the total voting power of all classes of ownership interests of CLNS Credit RE, entitled to vote generally in the election of the directors (or the applicable equivalent) of such Person; (iii) CLNS Credit RE shall cease to own, of record and beneficially, 51% or more of the ownership interests of Sponsor and Control Sponsor; (iv) Sponsor shall cease to own, of record and beneficially, 100% of the ownership interests in Member and Control Member; or (v) Member shall cease to own, of record and beneficially, 100% of the ownership interests in Seller and Control Seller.

"Guaranty" shall mean that certain Amended and Restated Guaranty, dated as of January 31, 2018, from the Sponsor to Buyer, as the same may be amended, modified and/or restated from time to time.

"Manager" shall mean CLNC Manager, LLC, a Delaware limited liability company.

"Sponsor" shall mean Credit RE Operating Company, LLC, a Delaware limited liability company.

(d) Section 3 of the Repurchase Agreement is hereby amended by inserting the following new Section 3(o):

(o) Without limiting the provisions of Sections 5(c), 5(d), 5(e), 5(f), 26, 27 or 30(d) hereof or any other provisions hereof or of the other Transaction Documents, unless otherwise expressly set forth in a Confirmation with respect to a specific Purchased Loan, Master Seller, on behalf of itself and each Series Seller that may be a party to a Transaction hereunder, and Buyer hereby agree that Seller shall be obligated to pay to the party designated in such Confirmation (the "Financing Fee Payee"), for each Transaction, a Financing Fee at a rate specified by Buyer in its sole and absolute discretion (for each Transaction, the "Financing Fee Rate") as set forth in the Confirmation related to such Transaction, which Financing Fee Rate shall not exceed the cap specified in such Confirmation (the "Financing Fee Cap"). The accrued but unpaid Financing Fee with respect to a Purchased Loan shall be payable on each Remittance Date, and shall be remitted by Depository to the

Financing Fee Payee for such Purchased Loan from the Cash Management Account on each Remittance Date pursuant to the provisions of Sections 5(c)(v), 5(d)(v), 5(e)(v) or 5(f)(v) as applicable. For the avoidance of doubt: (i) if no Financing Fee Rate is specified in the applicable Confirmation, the amount of corresponding Financing Fee shall be zero, (ii) if a Financing Fee Rate is specified in the applicable Confirmation for a Transaction, it shall be expressed as a percentage or as basis points, and (iii) in no event shall Seller be obligated to pay Financing Fees in excess of the Financing Fee Cap with respect to any Transaction

(e) Section 11(i) of the Repurchase Agreement is hereby amended by deleting the paragraph after Section 11(i)(iv) and replacing such paragraph with the following:

"Documents required to be delivered pursuant to the foregoing may be delivered by electronic communication (including email or otherwise) and if so delivered, shall be deemed to have been delivered on the date (i) on which the applicable party transmits such documents via email, (ii) on which the applicable party posts such documents, or provides a link thereto, on the applicable party's website on the Internet at the website address listed on Schedule 1 attached to the Third Amendment (which website address may be updated by Seller by written notice to Buyer), or (iii) on which such documents are posted on the applicable party's behalf on an Internet or intranet website, if any, to which Buyer has access (whether a commercial, third-party website or whether sponsored by Buyer). Seller shall use reasonable efforts to deliver electronic notice to Buyer promptly after the posting of any financial statements or documents required to be delivered hereunder to the applicable party's Internet or intranet website together with a link to such posted or filed financial statements or documents."

(f) Exhibit I to the Repurchase Agreement is hereby amended and restated in its entirety to read as set forth on Exhibit A attached hereto.

(g) Exhibit VII to the Repurchase Agreement is hereby amended and restated in its entirety to read as set forth on Exhibit B attached hereto.

2. Amendment of Transaction Documents. From and after the date hereof, all references in the Repurchase Agreement to "this Agreement" and all references in the other Transaction Documents to "the Repurchase Agreement" shall be deemed to refer to the Repurchase Agreement as amended and modified by the First Amendment, the Second Amendment and by this Amendment, and as same may be further amended, modified and/or restated.

3. Consent to Combination. Buyer hereby consents to the Combination and Sponsor replacing Original Sponsor as guarantor under the Guaranty.

4. Due Authority. Each of Master Seller, on behalf of itself and each Series Seller that is a party to a Transaction under the Repurchase Agreement as of the date hereof, Sponsor and Member hereby represents and warrants to Buyer that, as of the date hereof, (i) it has the power to execute, deliver and perform its respective obligations under this Amendment, (ii) this Amendment

has been duly executed and delivered by it for good and valuable consideration, and constitutes its legal, valid and binding obligation enforceable against it in accordance with its terms subject to bankruptcy, insolvency, and other limitations on creditors' rights generally and to equitable principles, and (iii) neither the execution and delivery of this Amendment, nor the consummation by it of the transactions contemplated by this Amendment, nor compliance by it with the terms, conditions and provisions of this Amendment will conflict with or result in a breach of any of the terms, conditions or provisions of (A) its organizational documents, (B) any contractual obligation to which it is now a party or the rights under which have been assigned to it or the obligations under which have been assumed by it or to which its assets are subject or constitute a default thereunder, or result thereunder in the creation or imposition of any lien upon any of it's assets, other than pursuant to this Amendment, (C) any judgment or order, writ, injunction, decree or demand of any court applicable to it, or (D) any applicable Requirement of Law, in the case of clauses (A)-(C) above, to the extent that such conflict or breach is reasonably likely to result in a Material Adverse Effect.

5. Counterparts. This Amendment may be executed by each of the parties hereto in any number of separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment in Portable Document Format (PDF) or by facsimile transmission shall be effective as delivery of a manually executed original counterpart thereof.

6. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE CONFLICT OF LAW PRINCIPLES THEREOF.

7. Reaffirmation of Guaranty and Member Guaranty. Sponsor acknowledges the amendments and modifications of the Repurchase Agreement pursuant to this Amendment and hereby ratifies and reaffirms all of the terms, covenants and conditions of the Guaranty and agrees that the Guaranty remains unmodified and in full force and effect and enforceable in accordance with its terms. Member acknowledges the amendments and modifications of the Repurchase Agreement pursuant to this Amendment and hereby ratifies and reaffirms all of the terms, covenants and conditions of the Member Guaranty and agrees that the Member Guaranty remains unmodified and in full force and effect and enforceable in accordance with its terms.

8. Repurchase Agreement and Transaction Documents in Full Force and Effect. Except as expressly amended hereby, Master Seller, on behalf of itself and each Series Seller that is a party to a Transaction under the Repurchase Agreement as of the date hereof, Sponsor and Member acknowledge and agree that all of the terms, covenants and conditions of the Repurchase Agreement and the other Transaction Documents remain unmodified and in full force and effect and are hereby ratified and confirmed in all respects.

9. Termination of Side Letters. The parties hereby agree that those certain side letters, dated as of December 31, 2015, among Master Seller, Buyer, Original Sponsor and Member relating to asset management fees and spread adjustments for Transitional Loans, respectively, are hereby terminated and shall be of no further force or effect.

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:

DEUTSCHE BANK AG, CAYMAN ISLANDS BRANCH

By: /s/ Dean Aotani
Name: Dean Aotani
Title: Managing Director

By: /s/ R. Christopher Jones
Name: R. Christopher Jones
Title: Director

MASTER SELLER:

NS INCOME DB LOAN, LLC, a Delaware limited liability company

By: NS Income DB Loan Member, LLC,
its sole member

By: NorthStar Real Estate Income Trust Operating
Partnership, LLC, its sole member

By: Credit RE Operating Company, LLC, its sole member

By: /s/ David A. Palamé
Name: David A. Palamé
Title: Vice President

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

ACKNOWLEDGED AND AGREED TO
AS OF JANUARY 31, 2018:

SPONSOR:

CREDIT RE OPERATING COMPANY, LLC,
a Delaware limited liability company

By: /s/ David A. Palamé
Name: David A. Palamé
Title: Vice President

MEMBER:

NS INCOME DB LOAN MEMBER, LLC,
a Delaware limited liability company

By: NorthStar Real Estate Income Trust Operating
Partnership, LLC, its sole member

By: Credit RE Operating Company, LLC,
its sole member

By: /s/ David A. Palamé
Name: David A. Palamé
Title: Vice President

EXHIBIT A

REPLACEMENT EXHIBIT I

EXHIBIT I

CONFIRMATION STATEMENT
DEUTSCHE BANK AG,
Cayman Islands Branch

Ladies and Gentlemen:

Deutsche Bank AG, Cayman Islands Branch, is pleased to deliver our written **CONFIRMATION** of our agreement to enter into the Transaction pursuant to which Deutsche Bank AG, Cayman Islands Branch shall purchase from you the Purchased Loans identified on Schedule 1 attached hereto, pursuant to the terms of that certain Master Repurchase Agreement, dated as of March 11, 2013 (as amended, modified and/or restated, the "Agreement"), between Deutsche Bank AG, Cayman Islands Branch ("Buyer") and NS Income DB Loan, LLC ("Master Seller"; together with the Series Seller (as defined in the Agreement) identified below, collectively, "Seller"). Capitalized terms used herein without definition have the meanings given in the Agreement.

Series Seller:	[_____]
Purchase Date:	[_____]
Purchased Loan:	[_____]
Principal Balance of Purchased Loan:	[_____]
Repurchase Date:	[_____] (provided, if the Facility Termination Date is extended pursuant to Section 3 of the Letter Agreement, the Repurchase Date shall automatically be extended to such date)
Purchase Date Market Value:	[_____]
Purchase Date Market Value Percentage:	[_____]
Actual Original Purchase Percentage:	[_____]
Maximum Original Purchase Percentage:	[_____]
Purchase Price:	[_____]
Initial Pricing Rate:	[_____]

Applicable Spread:	[_____]
Purchased Loan Type:	[_____]
[Subject to Approved Transaction (Y/N):]	[_____]
Financing Fee:	[_____]
Financing Fee Cap:	[_____]
Asset Manager:	[_____]
Representations and Warranties:	See Schedule 2 attached hereto
Exceptions to Representations and Warranties:	See Schedule 3 attached hereto

Name and address for communications:

Buyer:

Deutsche Bank AG, Cayman Islands Branch
60 Wall Street
New York, New York 10005
Attention: Dean Aotani
Telephone: (212) 250-6870
Telecopy: (212) 797-5630
Email: dean.aotani@db.com

With copies to:

Deutsche Bank AG, Cayman Islands Branch
60 Wall Street
New York, New York 10005
Attention: General Counsel

and

Deutsche Bank AG, Cayman Islands Branch
60 Wall Street
New York, New York 10005
Attention: Robert W. Pettinato Jr.
Telephone: (212) 250-5579
Telecopy: (212) 797-0286
Email: robert.pettinato@db.com

and

Deutsche Bank AG, Cayman Islands Branch
60 Wall Street
New York, New York 10005
Attention: [_____]
Telephone: (212) 250-[____]
Telecopy: [_____]
Email: [_____]

Seller:

NS Income DB Loan, LLC
c/o Colony NorthStar, Inc.
590 Madison Avenue, 34th Floor
New York, New York 10022
Attention: David A. Palamé
Email: dpalame@clns.com
Fax: (646) 837-5323

With copies to:

Ropes & Gray LLP
1211 Avenue of the Americas
New York, New York 10036
Attention: Daniel L. Stanco, Esq.
Email: daniel.stanco@ropesgray.com
Fax: (646) 728-1677

[SIGNATURE PAGES FOLLOW]

BUYER:

DEUTSCHE BANK AG, CAYMAN ISLANDS BRANCH

By:_____
Name:_____
Title:

By:_____
Name:_____
Title:_____

AGREED AND ACKNOWLEDGED:
MASTER SELLER:

NS INCOME DB LOAN, LLC

By: NS Income DB Loan Member, LLC, a Delaware limited liability company, its sole member

By: NorthStar Real Estate Income Trust Operating Partnership, LLC, a Delaware limited partnership, its sole member

By: Credit RE Operating Company, LLC, its sole member

By: _____
Name:
Title:

SERIES SELLER:

NS INCOME DB LOAN – SERIES [_____], a series of NS Income DB Loan Seller, LLC, a Delaware limited liability company

By: NS Income DB Loan Member, LLC, its sole member

By: NorthStar Real Estate Income Trust Operating Partnership, LLC, its sole member

By: Credit RE Operating Company, LLC, its sole member

By: _____
Name:
Title:

SCHEDULE 1 TO CONFIRMATION
(PURCHASED LOAN)

SCHEDULE 2 TO CONFIRMATION
(REPRESENTATIONS AND WARRANTIES)

[** Exhibit VI to Master Repurchase Agreement then in effect to be attached.**]

SCHEDULE 3 TO CONFIRMATION
(EXCEPTIONS TO REPRESENTATIONS AND WARRANTIES)

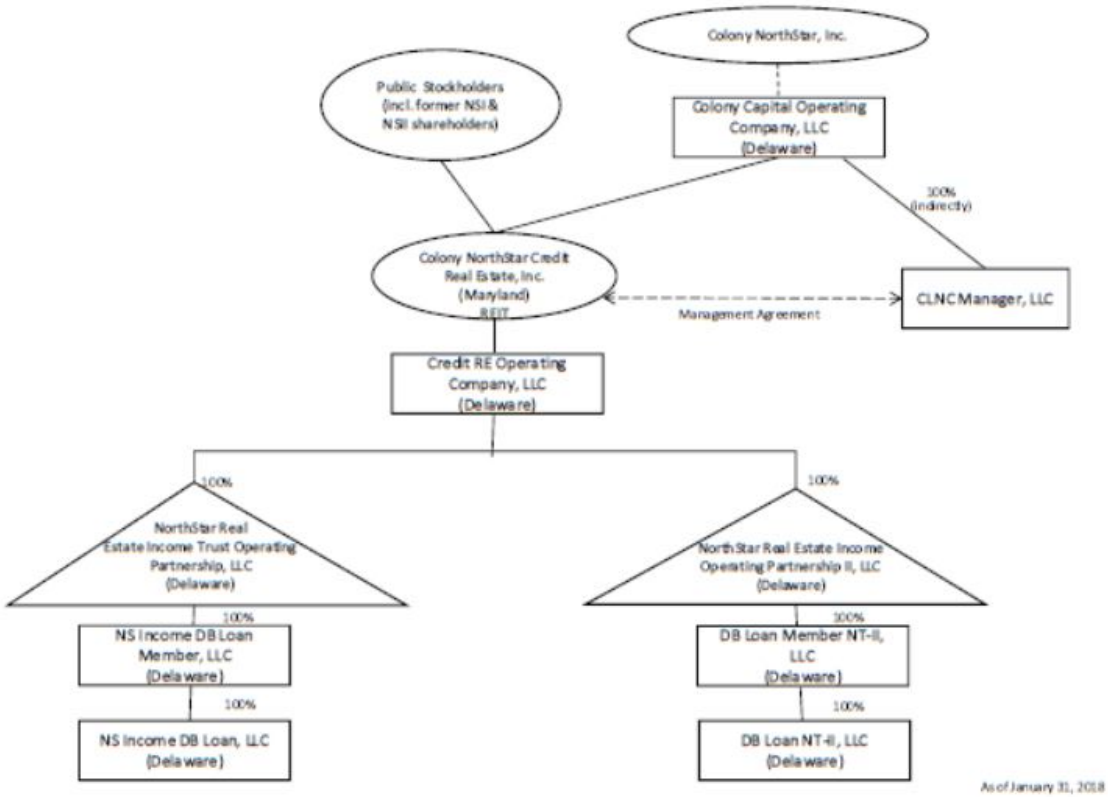
EXHIBIT B

REPLACEMENT EXHIBIT VII

EXHIBIT VII

ORGANIZATIONAL CHART

Colony NorthStar Credit Real Estate, Inc. (NYSE: CLNC)
Post-Combination Structure Chart (DB)



As of January 31, 2018

SCHEDULE 1

http://ir.clncredit.com/financial-information/sec-filings

Exhibit 10.21

AMENDED AND RESTATED GUARANTY

This **AMENDED AND RESTATED GUARANTY** (this "Guaranty") is made and entered into as of January 31, 2018, by **CREDIT RE OPERATING COMPANY, LLC**, a Delaware limited liability company, having an address at c/o Colony NorthStar, Inc., 399 Park Avenue, 18th Floor, New York, New York 10022 ("Guarantor"), for the benefit of **DEUTSCHE BANK AG, CAYMAN ISLANDS BRANCH**, a branch of a foreign banking institution, whose address is 60 Wall Street, 10th Floor, New York, New York 10005 ("Buyer"). This Guaranty is made with reference to the following facts:

A. NS Income DB Loan, LLC, a Delaware limited liability company ("Master Seller"; together with each Series Seller (as defined in the Repurchase Agreement (defined below)) formed by Master Seller under the Repurchase Agreement, collectively, "Seller"), and Buyer have entered into that certain Master Repurchase Agreement, dated as of March 11, 2013 (as amended, modified and/or restated, the "Repurchase Agreement"), pursuant to which Buyer may purchase Purchased Loans (as defined in the Repurchase Agreement) from Seller with a simultaneous agreement from Seller to repurchase such Purchased Loans at a date certain or on demand (the "Transactions");

B. NorthStar Real Estate Income Trust, Inc., a Maryland corporation ("NS Income I"), and NorthStar Real Estate Income Trust Operating Partnership, LLC, a Delaware limited liability company (formerly known as NorthStar Real Estate Income Trust Operating Partnership, LP, "Operating Partnership"; and together with NS Income II, "Original Guarantor") guaranteed the obligations of Seller under the Repurchase Agreement and the other Transaction Documents pursuant to that certain Limited Guaranty, dated as of March 11, 2013 (as amended, modified and/or restated, the "Original Guaranty"), from Original Guarantor to Buyer;

C. In connection with that certain Third Amendment to Master Repurchase Agreement, dated as of the date hereof (the "Third Amendment to Repurchase Agreement"), between Master Seller and Buyer, and acknowledged by Guarantor and Member, the parties have agreed that the Original Guaranty shall be amended, restated, and superseded in its entirety by this Guaranty, and Guarantor is executing and delivering this Guaranty. This Guaranty hereby amends, restates, replaces and supersedes the Original Guaranty in its entirety and Buyer hereby releases Original Guarantor from all liability relating to the payments, covenants, conditions, stipulations and other obligations contained in or arising under the Original Guaranty, except for any liability which may have accrued prior to the date hereof against Original Guarantor under the Original Guaranty for which a claim has been made prior to the date hereof;

D. Buyer has requested, as a condition of entering into the Third Amendment to Repurchase Agreement, that Guarantor execute and deliver this Guaranty to Buyer;

E. Guarantor is an Affiliate (as defined in the Repurchase Agreement) and directly or indirectly controls Seller;

F. Guarantor expects to benefit if Buyer enters into the Third Amendment to Repurchase Agreement with Seller; and

G. Buyer would not enter into the Third Amendment to Repurchase Agreement unless Guarantor executed this Guaranty. This Guaranty is therefore delivered to Buyer to induce Buyer to enter into the Third Amendment to Repurchase Agreement.

NOW, THEREFORE, in exchange for good, adequate, and valuable consideration, the receipt of which Guarantor acknowledges, and to induce Buyer to enter into the Third Amendment to Repurchase Agreement and any and all Transactions and to continue in effect any Transactions in effect thereunder on and as of the date hereof, Guarantor agrees as follows:

1. ***Definitions***. For purposes of this Guaranty, the following terms shall be defined as set forth below. In addition, any capitalized term used herein which is defined in the Repurchase Agreement but not defined in this Guaranty shall have the meaning ascribed to such term in the Repurchase Agreement.

(a) "Available Borrowing Capacity" means, on any date of determination, the total unrestricted borrowing capacity which may be drawn (taking into account required reserves and discounts) upon by the Sponsor and its Subsidiaries under any credit facilities (including repurchase agreements, note on note facilities, or otherwise), but with respect to any such credit facility, solely to the extent that such available borrowing capacity is committed by the related lender.

(b) "Capital Expenditures" means, with respect to any Person for any period, the aggregate of all expenditures by such Person and its Subsidiaries for the acquisition or leasing (pursuant to a capital lease) of fixed or capital assets or additions to equipment (including replacements, capitalized repairs and improvements during such period) that should be capitalized under GAAP on a consolidated balance sheet of such Person and its Subsidiaries.

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

(d) "Capital Stock" means, with respect to any Person, all of the shares of capital stock or share capital of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock or share capital of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock or share capital of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

(e) "Cash Equivalents" means, as of any date of determination (i) marketable securities (a) issued or the principal and interest of which are directly and unconditionally guaranteed by the United States or (b) issued by any agency of the United States, the obligations of which are backed by the full faith and credit of the United States and (ii) time deposits, certificates of deposit, money market accounts or banker's acceptances of any investment grade rated commercial bank, in each case with respect to clauses (i) and (ii) which mature within ninety (90) days after such date of determination.

(f) "Consolidated EBITDA" means, with respect to any Person for any period, Core Earnings plus an amount which, in the determination of Core Earnings for such period, has been deducted (and not added back) for, without duplication, (i) Consolidated Interest Expense, (ii) provisions for taxes based on income of such Person and its Consolidated Subsidiaries (provided that Consolidated EBITDA shall, solely with respect to the Consolidated EBITDA attributable to any Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of such attributable amount), and (iii) preferred dividends.

(g) "Consolidated Group Pro Rata Share" means, with respect to any Non Wholly-Owned Consolidated Affiliate, the percentage interest held by Guarantor and its Wholly Owned Subsidiaries, in the aggregate, in such Non Wholly-Owned Consolidated Affiliate determined by calculating the percentage of Capital Stock of such Non Wholly-Owned Consolidated Affiliate owned by Guarantor and its Wholly Owned Subsidiaries.

(h) "Consolidated Interest Expense" means, with respect to any Person for any period, total interest expense (including that attributable to Capital Lease Obligations) of such Person and its Consolidated Subsidiaries for such period with respect to all outstanding Indebtedness of such Person and its Consolidated Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs under Swap Agreements in respect of interest rates to the extent such net costs are allocable to such period in accordance with GAAP); provided that Consolidated Interest Expense shall, with respect to any Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of the total cash interest expense (determined in accordance with GAAP) of such Non Wholly-Owned Consolidated Affiliate for such period.

(i) "Consolidated Leverage Ratio" means, with respect to any Person on any date of determination, the ratio of (a) Consolidated Total Debt on such day to (b) Total Asset Value as of such date.

(j) "Consolidated Subsidiaries" means, with respect to any Person, all Subsidiaries of such Person which are consolidated with such Person for financial reporting purposes under GAAP.

(k) "Consolidated Tangible Net Worth" means, for any Person on any date of determination, all amounts that would, in conformity with GAAP, be included on a consolidated balance sheet of such Person and its Consolidated Subsidiaries under stockholders' equity at such date *plus* (i) accumulated depreciation and (ii) amortization of real estate intangibles such as in-place lease value, above and below market lease value and deferred leasing costs which are purchase price allocations determined upon the acquisition of real estate, in each case, of such Person and its Consolidated Subsidiaries on such date (provided that the amounts described in the foregoing clauses (i) and (ii) shall,

solely with respect to any such amount attributable to any Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of such attributable amount) *minus* the Intangible Assets of such Person and its Consolidated Subsidiaries on such date (provided that any such amount deducted with respect to deferred financing costs shall, solely with respect to any such amount attributable to any Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of such attributable amount).

(l) "Consolidated Total Debt" means, with respect to any Person on any date of determination, the aggregate principal amount of all Indebtedness of the such Person and its Consolidated Subsidiaries at such date, determined on a consolidated basis in accordance with GAAP; provided that Consolidated Total Debt shall (i) exclude any Indebtedness attributable to a Specified GAAP Reportable B Loan Transaction, (ii) exclude all Permitted Non-Recourse CLO Indebtedness and (iii) solely with respect to the Indebtedness of any Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of such Indebtedness

(m) "Control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise and "Controlling," "Controlled" and "under common Control" shall have meanings correlative thereto. For purposes of this definition, debt securities that are convertible into common stock will be treated as voting securities only when converted.

(n) "Core Earnings" means, with respect to any Person for any period, net income determined in accordance with GAAP of such Person and its consolidated subsidiaries and excluding (but only to the extent included in determining net income for such period) (i) non-cash equity compensation expense, (ii) the expenses incurred in connection with the formation of the Sponsor and the offering in connection therewith, including the initial underwriting discounts and commissions, (iii) acquisition costs from successful acquisitions (other than acquisitions made in the ordinary course of business), (iv) real property depreciation and amortization, (v) any unrealized gains or losses or other similar non-cash items that are included in net income for the current quarter, regardless of whether such items are included in other comprehensive income or loss, (vi) extraordinary or non-recurring gains or losses and (vii) one-time expenses, charges or gains relating to changes in GAAP; provided that Core Earnings shall, solely with respect to the Core Earnings attributable to any Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of such attributable amount.

(o) "Costs" means all reasonable out-of-pocket costs and expenses incurred by Buyer in any Proceeding or in obtaining legal advice and assistance in connection with any Proceeding, any Guarantor Litigation, or any Default or Event of Default by Seller under the Transaction Documents or any default by Guarantor under this Guaranty (including any breach of a representation or warranty contained in this Guaranty), including, without limitation, reasonable out-of-pocket attorneys' fees, disbursements, court costs and expenses.

(p) "Customary Recourse Exceptions" means, with respect to any Non-Recourse Indebtedness, exclusions from the exculpation provisions with respect to such Non-Recourse Indebtedness such as fraud, misapplication of cash, voluntary bankruptcy, environmental claims, breach of representations and warranties, failure to pay taxes and insurance, as applicable, and other circumstances customarily excluded by institutional lenders from exculpation provisions and/or included in separate indemnification agreements in non-recourse financings of commercial real estate.

(q) "Guarantee" means, as to any Person, any obligation of such Person directly or indirectly guaranteeing any Indebtedness of any other Person or in any manner providing for the payment of any Indebtedness of any other Person or otherwise protecting the holder of such Indebtedness against loss (whether by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, or to take-or-pay or otherwise); provided that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee of a Person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which the Guarantee is made and (b) the maximum amount for which such Person may be liable pursuant to the terms of the instrument embodying such Guarantee, unless such primary obligation or maximum amount for which such Person may be liable is not stated or determinable, in which case the amount of such Guarantee shall be such Person's maximum reasonably anticipated liability in respect thereof as determined by such Person in accordance with GAAP. The terms "Guarantee" and "Guaranteed" used as verbs shall have correlative meanings.

(r) "Guarantied Obligations" means Seller's obligations to fully and promptly pay all sums owed to Buyer under the Repurchase Agreement, the Letter Agreement, and the other Transaction Documents and to Buyer and any Affiliated Hedge Counterparties under any Affiliated Hedging Transactions with Affiliated Hedge Counterparties, at the times and according to the terms required by the Transaction Documents or the applicable Affiliated Hedging Transaction documents, as applicable, including the Repurchase Price for each Purchased Loan, accrued interest, default interest, costs, or fees (including any such interest, costs or fees arising from and after the filing of an Insolvency Proceeding by or against Seller), without regard to any modification, suspension, or limitation of such terms not agreed to by Buyer, such as a modification, suspension, or limitation arising in or pursuant to any Insolvency Proceeding by or against Seller (even if any such modification, suspension, or limitation causes Seller's obligation to become discharged or unenforceable, and in the case of an Insolvency Proceeding against Seller, even if such modification was made with Buyer's consent or agreement).

(s) "Guarantor Litigation" means any litigation, arbitration, investigation, or administrative proceeding of or before any court, arbitrator, or governmental authority, bureau or agency that materially affects this Guaranty or any asset(s) or property(ies) of Guarantor.

(t) "Indebtedness" means, as to any Person at a particular time, without duplication, the following to the extent they are included as indebtedness or liabilities in accordance with GAAP:

(i) obligations created, issued or incurred by such Person for borrowed money (whether by loan, the issuance and sale of debt securities or the sale of property to another Person subject to an understanding or agreement, contingent or otherwise, to repurchase such property from such Person);

(ii) obligations of such Person to pay the deferred purchase or acquisition price of property or services, other than trade accounts payable (other than for borrowed money) arising, and accrued expenses incurred, in the ordinary course of business so long as such trade accounts payable are payable within sixty (60) days of the date the respective goods are delivered or the respective services are rendered;

(iii) Indebtedness of others secured by a lien on the property of such Person, whether or not the respective Indebtedness so secured has been assumed by such Person;

(iv) obligations (contingent or otherwise) of such Person in respect of letters of credit or similar instruments issued or accepted by banks and other financial institutions for the account of such Person;

(v) Capital Lease Obligations of such Person;

(vi) obligations of such Person under repurchase agreements, sale/buy-back agreements or like arrangements;

(vii) Indebtedness of others Guaranteed by such Person;

(viii) all obligations of such Person incurred in connection with the acquisition or carrying of fixed assets by such Person;

(ix) Indebtedness of general partnerships of which such Person is a general partner; and

(x) all net liabilities or obligations under any interest rate swap, interest rate cap, interest rate floor, interest rate collar or other hedging instrument or agreement.

(u) "Insolvency Proceeding" means any voluntary or involuntary case or proceeding under the Bankruptcy Code or any other insolvency, bankruptcy, reorganization, liquidation, or like proceeding under any Bankruptcy Laws.

(v) "Intangible Assets" means assets that are considered to be intangible assets under GAAP, including customer lists, goodwill, computer software, copyrights, trade names, trademarks, patents, franchises, licenses, unamortized deferred charges (including deferred financing costs), unamortized debt discount and capitalized research and development costs; provided, however, that Intangible Assets shall not include real estate intangibles such as in-place lease value, above and below market lease value and deferred leasing costs which are purchase price allocations determined upon the acquisition of real estate.

(w) "Lien" means any mortgage, lien, encumbrance, charge or other security interest, whether arising under contract, by operation of law, judicial process or otherwise.

(x) "Liquidity" means, for any Person and its Consolidated Subsidiaries, the sum of (a) cash and Cash Equivalents and (b) Available Borrowing Capacity.

(y) "Member" means DB Loan Member NT-II, LLC, a Delaware limited liability company.

(z) "Non-Recourse Indebtedness" means, Indebtedness that is not Recourse Indebtedness.

(aa) "Non Wholly-Owned Consolidated Affiliate" means each Consolidated Subsidiary of Guarantor in which less than 100% of each class of the Capital Stock (other than directors' qualifying shares, if applicable) of such Consolidated Subsidiary are at the time owned, directly or indirectly, by Guarantor.

(bb) "Permitted Non-Recourse CLO Indebtedness" means Indebtedness that is (i) incurred by a Subsidiary of Guarantor in the form of asset-backed securities commonly referred to as "collateralized loan obligations" or "collateralized debt obligations" and (ii) is Non-Recourse Indebtedness.

(cc) "Person" means, any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, governmental authority or other entity.

(dd) "Proceeding" means any action, suit, arbitration, or other proceeding arising out of or relating to the interpretation or enforcement of, this Guaranty or the Transaction Documents, including (a) an Insolvency Proceeding; (b) any proceeding in which Buyer endeavors to realize upon any Security or to enforce any Transaction Document(s) (including this Guaranty) against Seller or Guarantor, to the extent that Buyer is the prevailing party in such proceeding or such proceeding results in a settlement pursuant to which any payment is made by Guarantor; and (c) any proceeding commenced by Seller or Guarantor against Buyer in which Buyer is the prevailing party.

(ee) "Recourse Indebtedness" means, with respect to any Person, for any period, without duplication, the aggregate Indebtedness in respect of which such Person is subject to recourse for payment, whether as a borrower, guarantor or otherwise; provided, that Indebtedness arising pursuant to Customary Recourse Exceptions shall not constitute Recourse Indebtedness until such time (if any) as demand has been made for the payment or performance of such Indebtedness.

(ff) "Security" means any security or collateral held by or for Buyer for the Transactions or the Guarantied Obligations, whether real or personal property, including any mortgage, deed of trust, financing statement, security agreement, and other security document or instrument of any kind securing the Transactions in whole or in part. "Security" shall include all assets and property of any kind whatsoever pledged or mortgaged to Buyer pursuant to the Transaction Documents.

(gg) "Seller" has the meaning set forth in recital A to this Guaranty and shall include: (a) any estate created by the commencement of an Insolvency Proceeding by or against Seller; (b) any trustee, liquidator, sequestrator, or receiver of Seller or any of its property; and (c) any similar person duly appointed pursuant to any law governing any Insolvency Proceeding of Seller.

(hh) "Specified GAAP Reportable B Loan Transaction" means a transaction involving either (i) the sale by Guarantor or any Subsidiary of Guarantor of the portion of an investment consisting of an "A-Note", and the retention by Guarantor or any Subsidiary of Guarantor of the portion of such Investment Asset consisting of a "B-Note", which transaction is required to be accounted for under GAAP as a "financing transaction" or (ii) the acquisition or retention by Guarantor or any of its Subsidiaries of an Investment Asset consisting of a "b-piece" in a securitization facility, which transaction under GAAP results in all of the assets of the trust that is party to the securitization facility, and all of the bonds issued by such trust under such securitization facility that are senior to the "b-piece", to be consolidated on Guarantor's consolidated balance sheet as assets and liabilities, respectively.

(ii) "State" means the State of New York.

(jj) "Subsidiary" means, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership, limited liability company or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person.

(kk) "Swap Agreement" means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of Guarantor or any of its Subsidiaries shall be a "Swap Agreement".

(ll) "Total Asset Value" means, with respect to any Person as of any date of determination, the net book value of the total assets of such Person and its Consolidated Subsidiaries on such date as determined in accordance with GAAP plus (x) accumulated depreciation and (y) amortization of real estate intangibles; provided, that Total Asset Value shall (i) exclude the amount of all restricted cash (other than reserves for Capital Expenditures) of such Person and its Consolidated Subsidiaries to the extent such cash supports obligations that do not constitute Consolidated Total Debt, (ii) include the net book value of assets associated with a Specified GAAP Reportable B Loan Transaction only to the extent in excess of the amount of any Indebtedness attributable to such Specified GAAP

Reportable B Loan Transaction, (iii) include the net book value of assets associated with any Permitted Non-Recourse CLO Indebtedness and (iv) solely with respect to the net book value of the total assets of a Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of the net book value of such Non Wholly-Owned Consolidated Affiliate's total assets.

(mm) "Transaction Document" means each "Transaction Document" (as defined in the Repurchase Agreement) other than this Guaranty.

(nn) "Wholly Owned Subsidiary" means, with respect to any Person, any other Person all of the Capital Stock of which (other than directors' qualifying shares required by law) is owned by such Person directly and/or through other Wholly Owned Subsidiaries.

2. ***Absolute Guaranty of All Guarantied Obligations***. (a) Subject to clause (b) below, Guarantor hereby unconditionally and irrevocably guarantees to Buyer the prompt and complete payment and performance by Seller when due (whether at the stated maturity, by acceleration or otherwise) of the Guarantied Obligations. All assets and property of Guarantor shall be subject to recourse if Guarantor fails to pay any Guarantied Obligation(s) when and as required to be paid pursuant to the Transaction Documents.

(b) Notwithstanding anything herein or in any other Transaction Document to the contrary, but subject to clauses (c) and (d) below, the maximum liability of Guarantor hereunder and under the other Transaction Documents shall in no event exceed the sum of (i) the greater of (A) the sum of (1) twenty-five percent (25%) of the aggregate Repurchase Price of all Purchased Loans that are Stabilized Loans subject to Transactions under the Repurchase Agreement as of the date of the occurrence of any Event of Default (which remains uncured and for which Buyer has made any demand for payment by Guarantor hereunder) plus (2) one hundred percent (100%) of the aggregate Repurchase Price of all Purchased Loans that are Transition Loans subject to Transactions under the Repurchase Agreement as of the date of the occurrence of any Event of Default (which remains uncured and for which Buyer has made any demand for payment by Guarantor hereunder), and (B) the lesser of (1) $12,500,000, provided that if the Maximum Amount (as defined in the Letter Agreement) shall be increased at any time to an amount greater than $100,000,000, the amount under this Section 2(b)(i)(B)(1) shall be increased to include twelve and one-half percent (12.5%) of the amount of such increase in the Maximum Amount, and (2) the aggregate Repurchase Price of all Purchased Loans then subject to Transactions under the Repurchase Agreement; (ii) all Exit Fees (as defined in the Letter Agreement) due and payable to Buyer under the Transaction Documents; and (iii) Buyer's Costs relating to the enforcement of remedies pursuant to this Guaranty .

(c) Notwithstanding the foregoing, the limitation on recourse liability as set forth in subsection (b) above SHALL BECOME NULL AND VOID and shall be of no further force and effect and the Guarantied Obligations immediately shall become fully recourse to Seller and Guarantor, jointly and severally, in the event of any of the following:

(i) a voluntary Insolvency Proceeding is commenced by Seller (with respect to Seller) or Member (with respect to Member) under any Bankruptcy Law; or

(ii) an involuntary Insolvency Proceeding under any Bankruptcy Law against Seller or Member in which Seller, Member, Guarantor, or any Affiliate of any of the foregoing has or have colluded or conspired with the creditors in connection with the commencement or filing of such proceeding prior to such filing.

(d) In addition to the foregoing and notwithstanding the limitation on recourse liability set forth in subsection (b) above, Guarantor shall be liable for any reasonable out-of-pocket losses, costs, claims, expenses or other liabilities incurred by Buyer arising out of or attributable to:

(i) fraud or intentional misrepresentation by or on behalf of Seller, Member or Guarantor in connection with the execution and the delivery of this Guaranty, the Repurchase Agreement, the Letter Agreement or any of the other Transaction Documents, or any certificate, report, financial statement or other instrument or document furnished to Buyer at the time of the closing of the Repurchase Agreement or during the term of the Repurchase Agreement;

(ii) any material breach by Seller or Member of the single-purpose entity covenants set forth in Section 12 of the Repurchase Agreement which results in the substantive consolidation of Master Seller, any Series Seller and/or Member with any other Person;

(iii) the misappropriation or misapplication by Seller, Guarantor or any of their respective Affiliates of any Income received with respect to the Purchased Loans in violation of the Transaction Documents; and

(iv) any material breach of any representations and warranties by Seller or Guarantor, or any of their respective Affiliates, of any representations and warranties in the Transaction Documents relating to Environmental Laws or Hazardous Materials, or any indemnity for costs incurred in connection with the violation of any Environmental Law, the correction of any environmental condition, or the removal of any Hazardous Materials, in each case in any way affecting any Mortgaged Property or any of the Purchased Loans.

(e) Nothing herein shall be deemed to be a waiver of any right which Buyer may have under Section 506(a), 506(b), 1111(b) or any other provision of the Bankruptcy Code or any other Bankruptcy Law to file a claim for the full amount of the indebtedness secured by the Repurchase Agreement or to require that all collateral shall continue to secure all of the indebtedness owing to the Buyer in accordance with the Repurchase Agreement or any other Transaction Documents.

(f) Guarantor further agrees to pay any and all reasonable out-of-pocket expenses (including, without limitation, all reasonable out-of-pocket fees and disbursements of counsel) which may be paid or actually incurred by Buyer in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting, any or all of the Guaranteed Obligations and/or enforcing any rights with respect to, or collecting against, Guarantor under this Guaranty after the occurrence and during the continuance of a Default or Event of Default. This Guaranty shall remain in full force and effect until the Guaranteed Obligations are paid in full, notwithstanding that from time to time prior thereto Seller may be free from any Guaranteed Obligations.

(g) No payment or payments made by Seller, Member or any other Person or received or collected by Buyer from Seller, Member or any other Person by virtue of any action or proceeding or any set-off or appropriation or application, at any time or from time to time, in reduction of or in payment of the Guarantied Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of Guarantor hereunder which shall, notwithstanding any such payment or payments, remain liable for the amount of the Guarantied Obligations until the Guarantied Obligations are paid in full; provided, however, that Guarantor's liability under Section 2 of this Guaranty shall be reduced by the amount of any payments actually received by Buyer from Seller, Member or any other Person in payment of the Repurchase Obligations (but any amounts received shall not reduce the Guarantied Obligations due under Section 2(b) of this Guaranty unless and until the aggregate Repurchase Price has been repaid to an amount less than the amount due under Section 2(b)).

(h) Guarantor agrees that whenever, at any time, or from time to time, Guarantor shall make any payment to Buyer on account of Guarantor's liability hereunder, Guarantor will notify Buyer in writing that such payment is made under this Guaranty for such purpose.

3. ***Nature of Liability***. Guarantor's liability under this Guaranty is primary and not secondary.

4. ***Changes in Transaction Documents***. Without notice to, or consent by, Guarantor, and in Buyer's sole and absolute discretion and without prejudice to Buyer or in any way limiting or reducing Guarantor's liability under this Guaranty, Buyer may: (a) grant extensions of time, renewals or other indulgences or modifications to Seller or any other party under any of the Transaction Document(s), (b) change, amend or modify any Transaction Document(s), (c) authorize the sale, exchange, release or subordination of any Security, (d) accept or reject additional Security, (e) discharge or release any party or parties liable under the Transaction Documents, (f) foreclose or otherwise realize on any Security, or attempt to foreclose or otherwise realize on any Security in accordance with the terms of the Repurchase Agreement, whether such attempt is successful or unsuccessful, (g) accept or make compositions or other arrangements or file or refrain from filing a claim in any Insolvency Proceeding, (h) enter into other Transactions with Seller in such amount(s) and at such time(s) as Buyer may determine,

(i) credit payments in such manner and order of priority to Repurchase Prices, or other obligations as Buyer may determine in its discretion in accordance with the terms of the Repurchase Agreement, and (j) otherwise deal with Seller and any other party related to the Transactions or any Security as Buyer may determine in its sole and absolute discretion. Without limiting the generality of the foregoing, Guarantor's liability under this Guaranty shall continue even if Buyer alters any obligations under the Transaction Documents in any respect or Buyer's or Guarantor's remedies or rights against Seller are in any way impaired or suspended without Guarantor's consent. If Buyer performs any of the actions described in this paragraph, then Guarantor's liability shall continue in full force and effect even if Buyer's actions impair, diminish or eliminate Guarantor's subrogation, contribution, or reimbursement rights (if any) against Seller, or otherwise adversely affect Guarantor or expand Guarantor's liability hereunder.

5. ***Certain Financial Covenants***.

(a) ***Financial Covenants***. Guarantor covenants and agrees that it will comply with the following financial covenants (the "Financial Covenants") at all times while the Repurchase Agreement and Transaction Documents remain in effect:

(i) ***Minimum Liquidity***. Liquidity at any time shall not be less than the lower of (i) Fifty Million Dollars ($50,000,000) and (ii) the greater of (A) Ten Million Dollars ($10,000,000) and (B) five percent (5%) of Guarantor's Recourse Indebtedness;

(ii) ***Minimum Tangible Net Worth***. Consolidated Tangible Net Worth at any time shall not be less than the sum of (i) $2,142,000,000.00, plus (ii) seventy-five percent (75%) of the net cash proceeds thereafter received by Guarantor (x) from any offering by Guarantor of its common equity and (y) from any offering by CLNS Credit RE of its common equity to the extent such net cash proceeds are contributed to Guarantor, excluding any such net cash proceeds that are contributed to Guarantor within ninety (90) days of receipt of such net cash proceeds and applied to purchase, redeem or otherwise acquire Capital Stock issued by Guarantor (or any direct or indirect parent thereof);

(iii) ***Maximum Consolidated Leverage Ratio***. The Consolidated Leverage Ratio at any time may not exceed 0.75 to 1.00; and

(iv) ***Minimum Interest Coverage Ratio***. As of any date of determination, the ratio of (i) Consolidated EBITDA for the period of twelve (12) consecutive months ended on such date (if such date is the last day of a fiscal quarter) or the fiscal quarter most recently ended prior to such date (if such date is not the last day of a fiscal quarter) to (ii) Consolidated Interest Expense for such period shall not be less than 1.4 to 1.

(b) ***MFN Provision***. Notwithstanding anything to the contrary contained herein or in any Transaction Document, (i) in the event that Guarantor, CLNS Credit RE, Seller or any Subsidiary of Guarantor or CLNS Credit RE has entered into or shall enter into or amend any other commercial real estate loan repurchase agreement, warehouse facility or credit facility with any other lender or repurchase buyer (each as in effect after giving effect to all amendments thereof, a "Third Party Agreement") and such Third Party Agreement contains any financial covenant as to Guarantor for which

there is no corresponding covenant in Section 5(a) at the time such financial covenant becomes effective (each an "Additional Financial Covenant"), or contains a financial covenant that corresponds to a covenant in Section 5(a) and such financial covenant is more restrictive as to Guarantor than the corresponding covenant in Section 5(a) as in effect at the time such financial covenant becomes effective (each, a "More Restrictive Financial Covenant" and together with each Additional Financial Covenant, each an "MFN Covenant"), then (A) Guarantor shall promptly notify Buyer of the effectiveness of such MFN Covenant and (B) in the sole discretion of Buyer Section 5(a) will automatically be deemed to be modified to reflect such MFN Covenant (whether through amendment of an existing covenant contained in Section 5(a) (including, if applicable, related definitions) or the inclusion of an additional financial covenant (including, if applicable, related definitions), as applicable), and (ii) in the event that all Third Party Agreements that contain an MFN Covenant are or have been amended, modified or terminated and the effect thereof is to make less restrictive as to Guarantor any MFN Covenant or eliminate any Additional Financial Covenant, then, upon Guarantor providing written notice to Buyer of the same (each an "MFN Step Down Notice"), which Guarantor may deliver to Buyer from time to time, the financial covenants in Section 5(a) will automatically be deemed to be modified to reflect only such MFN Covenants which are then in effect as of the date of any such MFN Step Down Notice; provided, however, that in no event shall the foregoing cause the financial covenants of Guarantor to be any less restrictive than the financial covenants expressly set forth in Section 5(a). Promptly upon request by Buyer, Guarantor shall execute and take any and all acts, amendments, supplements, modifications and assurances and other instruments as Buyer may reasonably require from time to time in order to document any such modification and otherwise carry out the intent and purposes of this paragraph.

6. ***Nature of Guaranty***. Guarantor's liability under this Guaranty is a guaranty of payment of the Guarantied Obligations, and is not a guaranty of collection or collectability. Guarantor's liability under this Guaranty is not conditioned or contingent upon the genuineness, validity, regularity or enforceability of any of the Transaction Documents. Guarantor's liability under this Guaranty is a continuing, absolute, and unconditional obligation under any and all circumstances whatsoever (except as expressly stated, if at all, in this Guaranty), without regard to the validity, regularity or enforceability of any of the Guarantied Obligations. Guarantor acknowledges that Guarantor is fully obligated under this Guaranty even if Seller had no liability at the time of execution of the Transaction Documents or later ceases to be liable under any Transaction Document, whether pursuant to Insolvency Proceedings by or against Seller or otherwise (other than payment in full of the Guarantied Obligations). Guarantor shall not be entitled to claim, and irrevocably covenants not to raise or assert, any defenses against any Guarantied Obligation that would or might be available to Seller, other than actual payment and performance of such Guarantied Obligations in full in accordance with their terms. Guarantor waives any right to compel Buyer to proceed first against Seller or any Security before proceeding against Guarantor. Guarantor agrees that if any of the Guarantied Obligations are or become void or unenforceable against Seller (because of inadequate consideration, lack of capacity, Insolvency Proceedings, or for any other reason), then Guarantor's liability under this Guaranty shall continue in full force with respect to all Guarantied Obligations as if they were and continued to be legally enforceable, all in accordance with their terms and, in the case of Insolvency Proceedings, before giving effect to the Insolvency Proceedings. Without limiting the generality of the foregoing, if the Guarantied Obligations are "nonrecourse" as to Seller or Seller's liability for the Guarantied Obligations is otherwise limited in some way, Guarantor nevertheless intends to be fully liable, to the full extent of all of Guarantor's assets, with respect to all the Guarantied Obligations, even though Seller's liability for the

Guarantied Obligations may be less limited in scope or less burdensome. Guarantor waives any defense that might otherwise be available to Guarantor based on the proposition that a guarantor's liability cannot exceed the liability of the principal. Guarantor waives any defenses to this Guaranty arising or purportedly arising from the manner in which Buyer disburses the Purchase Price for any Purchased Loan to Seller or otherwise, or any waiver of the terms of any Transaction Document by Buyer or other failure of Buyer to require full compliance with the Transaction Documents. Guarantor's liability under this Guaranty shall continue until all sums due under the Transaction Documents have been paid in full and all other performance required under the Transaction Documents has been rendered in full, except as expressly provided otherwise in this Guaranty. Guarantor's liability under this Guaranty shall not be limited or affected in any way by any impairment or any diminution or loss of value of any Security whether caused by (a) hazardous substances, (b) Buyer's failure to perfect a security interest in any Security, (c) any disability or other defense(s) of Seller, or (d) any breach by Seller of any representation or warranty contained in any Transaction Document.

7. ***Waivers of Rights and Defenses***. Guarantor waives any right to require Buyer to (a) proceed against Seller, (b) proceed against or exhaust any Security, or (c) pursue any other right or remedy for Guarantor's benefit. Guarantor agrees that Buyer may proceed against Guarantor with respect to the Guarantied Obligations without taking any actions against Seller and without proceeding against or exhausting any Security. Guarantor agrees that Buyer may unqualifiedly exercise in its sole discretion (or may waive or release, intentionally or unintentionally) any or all rights and remedies available to it against Seller without impairing Buyer's rights and remedies in enforcing this Guaranty, under which Guarantor's liabilities shall remain independent and unconditional. Guarantor agrees and acknowledges that Buyer's exercise (or waiver or release) of certain of such rights or remedies may affect or eliminate Guarantor's right of subrogation or recovery against Seller (if any) and that Guarantor may incur a partially or totally nonreimbursable liability in performing under this Guaranty. Guarantor has assumed the risk of any such loss of subrogation rights, even if caused by Buyer's acts or omissions. If Buyer's enforcement of rights and remedies, or the manner thereof, limits or precludes Guarantor from exercising any right of subrogation that might otherwise exist, then the foregoing shall not in any way limit Buyer's rights to enforce this Guaranty. Without limiting the generality of any other waivers in this Guaranty, Guarantor expressly waives any statutory or other right (except as set forth herein) that Guarantor might otherwise have to: (i) limit Guarantor's liability after a nonjudicial foreclosure sale to the difference between the Guarantied Obligations and the fair market value of the property or interests sold at such nonjudicial foreclosure sale or to any other extent, (ii) otherwise limit Buyer's right to recover a deficiency judgment after any foreclosure sale, or (iii) require Buyer to exhaust its Security before Buyer may obtain a personal judgment for any deficiency. Any proceeds of a foreclosure or similar sale may be applied first to any obligations of Seller that do not also constitute Guarantied Obligations within the meaning of this Guaranty. Guarantor acknowledges and agrees that any nonrecourse or exculpation provided for in any Transaction Document, or any other provision of a Transaction Document limiting Buyer's recourse to specific Security or limiting Buyer's right to enforce a deficiency judgment against Seller or any other person, shall have absolutely no application to Guarantor's liability under this Guaranty. To the extent that Buyer collects or receives any sums or payments from Seller or any proceeds of a foreclosure or similar sale, Buyer shall have the right, but not the obligation, to apply such amounts first to that portion of Seller's indebtedness and obligations to Buyer (if any) that is not covered by this Guaranty, regardless of the manner in which any such payments and/or amounts are characterized by the person making the payment.

8. ***Additional Waivers***. Guarantor waives diligence and all demands, protests, presentments and notices of every kind or nature, including notices of protest, dishonor, nonpayment, acceptance of this Guaranty and the creation, renewal, extension, modification or accrual of any of the Guarantied Obligations. Guarantor further waives the right to plead any and all statutes of limitations as a defense to Guarantor's liability under this Guaranty or the enforcement of this Guaranty. No failure or delay on Buyer's part in exercising any power, right or privilege under this Guaranty shall impair or waive any such power, right or privilege.

9. ***Other Actions Taken or Omitted***. Notwithstanding any other action taken or omitted to be taken with respect to the Transaction Documents, the Guarantied Obligations, or the Security, whether or not such action or omission prejudices Guarantor or increases the likelihood that Guarantor will be required to pay the Guarantied Obligations pursuant to the terms hereof, it is the unambiguous and unequivocal intention of Guarantor that Guarantor shall be obligated to pay the Guarantied Obligations when due, notwithstanding any occurrence, circumstance, event, action, or omission whatsoever, whether contemplated or uncontemplated, and whether or not otherwise or particularly described herein, which obligation shall be deemed satisfied as to any Guaranteed Obligation only upon the full and final payment and satisfaction of such Guarantied Obligations.

10. ***No Duty to Prove Loss***. To the extent that Guarantor at any time incurs any liability under this Guaranty following the occurrence of an Event of Default, Guarantor shall pay Buyer (to be applied on account of the Guarantied Obligations) the amount provided for in this Guaranty, without any requirement that Buyer demonstrate that the Security is inadequate for the Transactions; or that Buyer has currently suffered any loss; or that Buyer has otherwise exercised (to any degree) or exhausted any of Buyer's rights or remedies with respect to Seller or any Security.

11. ***Full Knowledge***. Guarantor acknowledges, represents, and warrants that Guarantor has had a full and adequate opportunity to review the Transaction Documents, the transactions contemplated by the Transaction Documents, and all underlying facts relating to such transactions. Guarantor represents and warrants that Guarantor fully understands: (a) the remedies Buyer may pursue against Seller and/or Guarantor in the event of a default under the Transaction Documents, (b) the value (if any) and character of any Security, and (c) Seller's financial condition and ability to perform under the Transaction Documents. Guarantor agrees to keep itself fully informed regarding all aspects of the foregoing and the performance of Seller's obligations to Buyer, it being acknowledged that Buyer has no duty, whether now or in the future, to disclose to Guarantor any such information. At any time provided for in the Transaction Documents, Guarantor agrees and acknowledges that an Insolvency Proceeding affecting Guarantor, or other actions or events relating to Guarantor (including Guarantor's failure to comply with the financial covenants in Section 5 of this Guaranty), in each case, as set forth in the Transaction Documents, may be event(s) of default under the Transaction Documents.

12. ***Representations and Warranties***. Each Guarantor acknowledges, represents and warrants as of the date hereof and as of each Purchase Date as follows, and acknowledges that Buyer is relying upon the following acknowledgments, representations, and warranties by Guarantor in entering into the Transactions:

(a) ***Due Execution; Enforceability***. The Guaranty has been duly executed and delivered by Guarantor, for good and valuable consideration. The Guaranty constitutes the legal, valid and binding obligations of Guarantor, enforceable against Guarantor in accordance with its respective terms subject to bankruptcy, insolvency, and other limitations on creditors' rights generally and to equitable principles.

(b) ***No Conflict***. The execution, delivery, and performance of this Guaranty will not conflict with or result in a breach of any of the terms, conditions or provisions of (i) the organizational documents of Guarantor, (ii) any contractual obligation to which Guarantor is now a party or by which it is otherwise bound or to which the assets of Guarantor are subject or constitute a default thereunder, or result in the creation or imposition of any Lien upon any of the assets of Guarantor thereunder, other than pursuant to this Guaranty, (iii) any judgment or order, writ, injunction, decree or demand of any court applicable to Guarantor, or (iv) any applicable requirement of law, in each case under the foregoing clauses (ii), (iii) and (iv), to the extent that such conflict or breach would have a material adverse effect upon Guarantor's ability to perform its obligations hereunder. Guarantor has all necessary licenses, permits and other consents from Governmental Authorities necessary for the performance of its obligations under this Guaranty.

(c) ***Litigation; Requirements of Law***. There is no action, suit, proceeding, investigation, or arbitration pending or, to the best knowledge of Guarantor, threatened against Seller, Guarantor or any of their respective assets, nor is there any action, suit, proceeding, investigation, or arbitration pending or, to the best knowledge of Guarantor, threatened against Guarantor which may result in any material adverse change in the business, operations, financial condition, properties, or assets of Seller or Guarantor, or which may have an adverse effect on the validity of the Guaranty or the Transaction Documents or the Purchased Loans or any action taken or to be taken in connection with the obligations of Guarantor under the Guaranty or of Seller under any of the Transaction Documents. Guarantor is in compliance in all material respects with all requirements of law applicable to Guarantor. Neither Seller nor Guarantor is in default in any material respect with respect to any judgment, order, writ, injunction, decree, rule or regulation of any arbitrator or Governmental Authority.

(d) ***No Third Party Consent Required***. No consent of any person (including creditors or partners, members, stockholders, or other owners of Guarantor), except those consents provided as of this date hereof, is required in connection with Guarantor's execution of this Guaranty or performance of Guarantor's obligations under this Guaranty. Guarantor's execution of, and obligations under, this Guaranty are not contingent upon any consent, license, permit, approval, or authorization of, exemption by, notice or report to, or registration, filing, or declaration with, any governmental authority, bureau, or agency, whether local, state, federal, or foreign.

(e) ***Authority and Execution***. Guarantor is duly formed and validly existing under the laws of the State of its formation and has full power, authority, and legal right to execute, deliver and perform its obligations under this Guaranty. Guarantor has taken all necessary organizational and legal action to authorize this Guaranty.

(f) ***No Representations by Buyer***. Guarantor delivers this Guaranty based solely upon Guarantor's own independent investigation and based in no part upon any representation or statement by Buyer.

13. ***No Misstatements***. No information, exhibit, report or certificate furnished by Guarantor to Buyer in connection with the Transactions or any Transaction Document contains any material misstatement of fact nor omits any fact necessary to make such information, exhibit, report, or certificate not materially misleading.

14. ***Reimbursement and Subrogation Rights***. Except to the extent that Buyer notifies Guarantor to the contrary in writing from time to time:

(a) ***General Deferral of Reimbursement***. Except to the extent set forth in Section 14(b) below, Guarantor waives any right to be reimbursed by Seller for any payment(s) made by Guarantor on account of the Guarantied Obligations, unless and until all Guarantied Obligations have been paid in full and all periods within which such payments may be set aside or invalidated have expired. Guarantor acknowledges that Guarantor has received adequate consideration for execution of this Guaranty by virtue of Buyer's entering into the Transactions (which benefit Guarantor, as a direct or indirect owner or principal of Seller) and Guarantor does not require or expect, and is not entitled to, any other right of reimbursement against Seller as consideration for this Guaranty.

(b) ***Deferral of Subrogation and Contribution***. Guarantor agrees that it shall not assert a right of subrogation against Seller or Buyer or against any Security unless and until: (a) such right of subrogation does not violate (or otherwise produce any result adverse to Buyer under) any applicable law, including any bankruptcy or insolvency law; (b) all amounts due under the Transaction Documents have been paid in full and all other performance required under the Transaction Documents has been rendered in full to Buyer; (c) all periods within which such payment may be set aside or invalidated have expired; and (d) Buyer has released, transferred or disposed of all of its right, title and interest in all Security (such deferral of Guarantor's subrogation and contribution rights, the "Subrogation Deferral").

(c) ***Effect of Invalidation***. To the extent that a court of competent jurisdiction determines that Guarantor's Subrogation Deferral is void or voidable for any reason, Guarantor agrees, notwithstanding any acts or omissions by Buyer that Guarantor's rights of subrogation against Seller or Buyer and Guarantor's right of subrogation against any Security shall at all times be junior and subordinate to Buyer's rights against Seller and to Buyer's right, title and interest in such Security.

(d) ***Claims in Insolvency Proceeding***. Guarantor shall not file any claim in any Insolvency Proceeding by or against Seller or Member unless Guarantor simultaneously assigns and transfers such claim to Buyer, without consideration, pursuant to documentation fully satisfactory to Buyer. Guarantor shall automatically be deemed to have assigned and transferred such claim to Buyer whether or not Guarantor executes documentation to such effect, and by executing this Guaranty hereby authorizes Buyer (and grants Buyer a power of attorney coupled with an interest, and hence irrevocable) to execute and file such assignment and transfer documentation on Guarantor's behalf. Buyer shall have the sole right to vote, receive distributions, and exercise all other rights with respect to any such claim; provided, however, that if and when the Guarantied Obligations have been paid in full Buyer shall release to Guarantor any further payments received on account of any such claim, and shall assign and transfer such claim back to Guarantor.

15. ***Waiver Disclosure***. Guarantor acknowledges that pursuant to this Guaranty, Guarantor has waived a substantial number of defenses that Guarantor might otherwise under some circumstance(s) be able to assert against Guarantor's liability to Buyer. Guarantor acknowledges and confirms that Guarantor has substantial experience as a sophisticated participant in substantial commercial real estate transactions (including financings) and is fully familiar with the legal consequences of signing this or any other guaranty. In addition, Guarantor is represented by competent counsel. Guarantor has consulted with such counsel and understands the nature, scope, and effect of the waivers contained in this Guaranty (a "Waiver Disclosure"). In the alternative, Guarantor has knowingly and intentionally waived obtaining a Waiver Disclosure. Accordingly Guarantor does not require or expect Buyer to provide a Waiver Disclosure. It is not necessary for Buyer or this Guaranty to provide or set forth any Waiver Disclosure, notwithstanding any principles of law to the contrary. Nevertheless, Guarantor specifically acknowledges that Guarantor is fully aware of the nature, scope, and effect of all waivers contained in this Guaranty, all of which have been fully disclosed to Guarantor. Guarantor acknowledges that as a result of the waivers contained in this Guaranty:

(a) ***Actions by Buyer***. Buyer will be able to take a wide range of actions relating to Seller, the Transactions, and the Transaction Documents, all without Guarantor's consent or notice to Guarantor. Guarantor's full and unconditional liability under this Guaranty will continue whether or not Guarantor has consented to such actions.

(b) ***Interaction with Seller Liability***. Guarantor shall be fully liable for all Guarantied Obligations even if the Transaction Documents are otherwise invalid, unenforceable, or subject to defenses available to Seller. Guarantor acknowledges that Guarantor's full and unconditional liability under this Guaranty (with respect to the Guarantied Obligations as if they were fully enforceable against Seller) will continue notwithstanding any such limitations on or impairment of Seller's liability.

(c) ***Timing of Enforcement***. Buyer will be able to enforce this Guaranty against Guarantor even though Buyer might also have available other rights and remedies that Buyer could conceivably enforce against the Security or against other parties. As a result, Buyer may require Guarantor to pay the Guarantied Obligations earlier than Guarantor would prefer to pay the Guarantied Obligations, including immediately upon the occurrence of an Event of Default by Seller. Guarantor will not be able to assert against Buyer various defenses, theories, excuses, or procedural requirements that might otherwise force Buyer to delay or defer the enforcement of this Guaranty against Guarantor. Guarantor acknowledges that Guarantor intends to allow Buyer to enforce the Guaranty against Guarantor in such manner. All of Guarantor's assets will be available to satisfy Buyer's claims against Guarantor under this Guaranty.

(d) ***Continuation of Liability***. Guarantor's liability for the Guarantied Obligations shall continue at all times until the Guarantied Obligations have actually been paid in full.

16. ***Buyer's Disgorgement of Payments***. Upon payment of all or any portion of the Guarantied Obligations, Guarantor's obligations under this Guaranty shall continue and remain in full force and effect at all times until the Guarantied Obligations have actually been paid in full, if all or any part of such payment is, pursuant to any Insolvency Proceeding or otherwise, avoided or recovered directly or indirectly from Buyer as a preference, fraudulent transfer, or otherwise, irrespective of (a) any notice of revocation given by Guarantor prior to such avoidance or recovery, or (b) payment in full of the Transactions. Subject to the foregoing, Guarantor's liability under this Guaranty shall continue until all periods have expired within which Buyer could (on account of any Insolvency Proceedings, whether or not then pending, affecting Seller or any other person) be required to return, repay, or disgorge any amount paid at any time on account of the Guarantied Obligations.

17. ***Financial Information; Notice of Default and Litigation***. To the extent not previously delivered by Seller, Guarantor shall deliver to Buyer the financial and reporting information described in and required by Section 11(i) of the Repurchase Agreement with respect to Guarantor on or before the dates set forth therein. To the extent that Seller has not previously provided notice of same to Buyer, Guarantor shall promptly, and in any event (a) within three (3) Business Days after Guarantor's knowledge thereof, notify Buyer of any default on the part of Guarantor under any Indebtedness which could give rise to an Event of Default, and (b) within three (3) Business Days after service of process or Guarantor's knowledge thereof, notify Buyer of the commencement, or threat in writing of, any action, suit, proceeding, investigation or arbitration involving Guarantor or any of its Affiliates or assets or any judgment in any action, suit, proceeding, investigation or arbitration involving Guarantor or any of its Affiliates or assets, which in any of the foregoing cases (i) relates to any Purchased Loan, (ii) questions or challenges the validity or enforceability of any Transaction or Transaction Document, (iii) makes a claim or claims against Guarantor in an aggregate amount in excess of $5,000,000 or (iv) that, individually or in the aggregate, if adversely determined, could be reasonably likely to have a Material Adverse Effect.

18. ***No Right to Set Off***. Except as otherwise expressly provided in this Section 18 or as provided in Section 22(d) of the Repurchase Agreement, Buyer, solely in its capacity as Buyer under the Transaction Documents, hereby waives any right of set-off it may have or to which it may be or become entitled under the Transaction Documents or, solely to the extent related to the Transaction Documents, requirements of law, against Guarantor. Notwithstanding the foregoing, upon the occurrence and during the continuance of any Event of Default, Buyer is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all amounts owing by Buyer or any Affiliate of Buyer under any Affiliated Hedging Transaction to or for the credit or the account of Guarantor or its Affiliates against any and all of the obligations of Guarantor now or hereafter existing under this Guaranty (or against any obligations of Guarantor or its Affiliates under any other Affiliated Hedging Transactions), irrespective of whether or not Buyer shall have made any demand under this Guaranty (or Buyer or its Affiliate shall have made any demand under any such other Affiliated Hedging Transaction) and although such obligations may be contingent and unmatured. Buyer agrees promptly to notify Guarantor after any such set-off and application, provided that the failure to give such notice shall not affect the validity of such set-off and application or this Guaranty. The rights of Buyer under this Section 18 are in addition to other rights and remedies (including, without limitation, other rights to set-off) which Buyer may have.

19. ***Consent to Jurisdiction***. Guarantor agrees that any Proceeding to enforce this Guaranty may be brought in any state or federal court located in New York City, New York. By executing this Guaranty, Guarantor irrevocably accepts and submits to the exclusive personal jurisdiction of each of the aforesaid courts, generally and unconditionally with respect to any such Proceeding. Guarantor agrees not to assert any basis for transferring jurisdiction of any such proceeding to another court. Guarantor further agrees that a final judgment against Guarantor in any Proceeding shall be conclusive evidence of Guarantor's liability for the full amount of such judgment.

20. ***Merger; No Conditions; Amendments***. This Guaranty and documents referred to herein contain the entire agreement among the parties with respect to the matters set forth in this Guaranty. This Guaranty supersedes all prior agreements among the parties with respect to the matters set forth in this Guaranty. No course of prior dealings among the parties, no usage of trade, and no parol or extrinsic evidence of any nature shall be used to supplement, modify, or vary any terms of this Guaranty. This Guaranty is unconditional. There are no unsatisfied conditions to the full effectiveness of this Guaranty. No terms or provisions of this Guaranty may be changed, waived, revoked, or amended without Buyer's written agreement. If any provision of this Guaranty is determined to be unenforceable, then all other provisions of this Guaranty shall remain fully effective.

21. ***Enforcement***. Guarantor acknowledges that this Guaranty is an "instrument for the payment of money only," within the meaning of New York Civil Practice Law and Rules Section 3213. In the event of any Proceeding between Seller or Guarantor and Buyer, including any Proceeding in which Buyer enforces or attempts to enforce this Guaranty or the Transactions against Seller or Guarantor, or in the event of any Guarantor Litigation, Guarantor shall reimburse Buyer for all Costs of such Proceeding.

22. ***Fundamental Changes***. Guarantor shall not wind up, liquidate, or dissolve its affairs or enter into any transaction of merger or consolidation, or sell, lease, or otherwise dispose of (or agree to do any of the foregoing) all or substantially all of its property or assets, without Buyer's prior written consent, except that so long as no Event of Default exists or would result therefrom, Guarantor may merge into or consolidate with another Person so long as (a) such merger or consolidation would not result in a Change of Control, (b) the continuing or surviving Person is Guarantor, and (c) immediately following such merger or consolidation, the majority of the members of the board of directors (or the applicable equivalent) of the continuing or surviving Person are the same as the majority of the members of the board of directors (or applicable equivalent) of Guarantor immediately prior to such merger or consolidation.

23. ***Further Assurances***. Guarantor shall execute and deliver such further documents, and perform such further acts, as Buyer may reasonably request to achieve the intent of the parties as expressed in this Guaranty, provided in each case that any such documentation is consistent with this Guaranty and with the Transaction Documents.

24. ***Certain Entities***. If Seller or Guarantor is a partnership, limited liability company, or other unincorporated association, then: (a) Guarantor's liability shall not be impaired by changes in the name or composition of Seller or Guarantor; and (b) the withdrawal or removal of any partner(s) or member(s) of Seller or Guarantor shall not diminish Guarantor's liability or (if Guarantor is a partnership) the liability of any withdrawing general partners of Guarantor.

25. ***Counterparts***. This Guaranty may be executed in counterparts each of which so executed shall be deemed to be an original, but all of such counterparts shall together constitute but one and the same instrument. Delivery by telecopier or other electronic transmission (including a .pdf e-mail transmission) of an executed counterpart of a signature page to this Guaranty shall be effective as delivery of an original executed counterpart of this Guaranty.

26. ***WAIVER OF TRIAL BY JURY***. GUARANTOR WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING ARISING FROM OR RELATING TO THIS GUARANTY OR THE TRANSACTION DOCUMENTS OR ANY OBLIGATION(S) OF GUARANTOR HEREUNDER OR UNDER THE TRANSACTION DOCUMENTS.

27. ***Miscellaneous***.

(a) ***Assignability***. Buyer may assign the rights under this Guaranty (in whole or in part) together with any one or more of the Transaction Documents in accordance with Section 18 of the Repurchase Agreement without in any way affecting Guarantor's liability. Upon request in connection with any such assignment Guarantor shall deliver such documentation as Buyer shall reasonably request. This Guaranty shall benefit Buyer and its successors and assigns and shall bind Guarantor and its heirs, executors, administrators, successors and assigns. Guarantor may not assign this Guaranty in whole or in part without the prior written consent of Buyer.

(b) ***Notices***. All notices, requests, and demands to be made under this Guaranty shall be given in writing and shall be effective for all purposes if hand delivered or sent by (a) hand delivery, with proof of attempted delivery, (b) certified or registered United States mail, postage prepaid, (c) expedited prepaid delivery service, either commercial or United States Postal Service, with proof of attempted delivery, or (d) by email provided that such email notice must also be delivered by one of the means set forth in (a), (b) or (c) above, to the address set forth in Annex I attached to this Guaranty or at such other address and person as shall be designated from time to time by any party hereto, as the case may be, in a written notice to the other parties hereto in the manner provided for in this Section 27(b). A notice shall be deemed to have been given: (a) in the case of hand delivery, at the time of delivery, (b) in the case of registered or certified mail, when delivered on a Business Day, (c) in the case of expedited prepaid delivery upon delivery on a Business Day, or (d) in the case of email, upon delivery such email; provided that (i) such email notice was also delivered by one of the means set forth in (a), (b) or (c) above (which may arrive after such email), and (ii) the transmitting party did not receive an electronic notice of a transmission failure. A party receiving a notice which does not comply with the technical requirements for notice under this Section may elect to waive any deficiencies and treat the notice as having been properly given.

(c) ***Interpretation***. This Guaranty shall be enforced and interpreted according to the laws of the State, including Section 5-1401 of the General Obligations Law, but otherwise disregarding its rules on conflicts of laws. The word "include" and its variants shall be interpreted in each case as if followed by the words "without limitation."

28. ***Business Purposes***. Guarantor acknowledges that this Guaranty is executed and delivered for business and commercial purposes, and not for personal, family, household, consumer, or agricultural purposes. Guarantor acknowledges that Guarantor is not entitled to, and does not require the benefits of, any rights, protections, or disclosures that would or may be required if this Guaranty were given for personal, family, household, consumer, or agricultural purposes. Guarantor acknowledges that none of Guarantor's obligation(s) under this Guaranty constitute(s) a "debt" within the meaning of the United States Fair Debt Collection Practices Act, 15 U.S.C. § 1692a(5), and accordingly compliance with the requirements of such Act is not required if Buyer (directly or acting through its counsel) makes any demand or commences any action to enforce this Guaranty.

29. ***No Third-Party Beneficiaries***. This Guaranty is executed and delivered for the benefit of Buyer and its successors and assigns, and is not intended to benefit any third party.

30. ***CERTAIN ACKNOWLEDGMENTS BY GUARANTOR.*** GUARANTOR ACKNOWLEDGES THAT BEFORE EXECUTING THIS GUARANTY: (A) GUARANTOR HAS HAD THE OPPORTUNITY TO REVIEW IT WITH AN ATTORNEY OF GUARANTOR'S CHOICE; (B) BUYER HAS RECOMMENDED TO GUARANTOR THAT GUARANTOR OBTAIN SEPARATE COUNSEL, INDEPENDENT OF SELLER'S COUNSEL, REGARDING THIS GUARANTY; AND (C) GUARANTOR HAS CAREFULLY READ THIS GUARANTY AND UNDERSTOOD THE MEANING AND EFFECT OF ITS TERMS, INCLUDING ALL WAIVERS AND ACKNOWLEDGMENTS CONTAINED IN THIS GUARANTY AND THE FULL EFFECT OF SUCH WAIVERS AND THE SCOPE OF GUARANTOR'S OBLIGATIONS UNDER THIS GUARANTY.

31. ***Amendment and Restatement***. From and after the date hereof, the Original Guaranty shall be amended, restated and superseded in its entirety by this Guaranty and Buyer hereby releases Original Guarantor from all liability relating to the payments, covenants, conditions, stipulations and other obligations contained in or arising under the Original Guaranty, except for any liability which may have accrued prior to the date hereof against Original Guarantor under the Original Guaranty for which a claim has been made prior to the date hereof. Each reference to the Original Guaranty in any other document, instrument or agreement shall mean and be a reference to this Guaranty, and this Guaranty shall supersede the Original Guaranty in all respects.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, Guarantor has duly executed this Guaranty as of the day first written above.

GUARANTOR:

CREDIT RE OPERATING COMPANY, LLC,
a Delaware limited liability company

By: /s/ David A. Palamé
Name: David A. Palamé
Title: Vice President

ACCEPTED AND AGREED:

BUYER:

DEUTSCHE BANK AG, CAYMAN ISLANDS BRANCH

By: /s/ Dean Aotani
Name: Dean Aotani
Title: Managing Director

By: /s/ R. Christopher Jones
Name: R. Christopher Jones
Title: Director

ANNEX I

Address for Notices to Guarantor:

c/o Colony NorthStar, Inc.
590 Madison Avenue, 34th Floor
New York, New York 10022
Attention: David A. Palamé
Telecopy: (646) 837-5323
Email: dpalame@clns.com

With copies to:
Ropes & Gray LLP
1211 Avenue of the Americas
New York, New York 10036
Attention: Daniel L. Stanco, Esq.
Telecopy: (646) 728-1677
Email: daniel.stanco@ropesgray.com

Address for Notices to Buyer:

Deutsche Bank AG, Cayman Islands Branch
60 Wall Street
New York, New York 10005
Attention: Dean Aotani
Telephone: (212) 250-6870
Telecopy: (212) 797-5630
Email: dean.aotani@db.com

With copies to:
Deutsche Bank AG, Cayman Islands Branch
60 Wall Street
New York, New York 10005
Attention: General Counsel

and

Deutsche Bank AG, Cayman Islands Branch
60 Wall Street
New York, New York 10005
Attention: Robert W. Pettinato Jr.
Telephone: (212) 797-0286
Telecopy: (212) 797-5630
Email: robert.pettinato@db.com

and

Sidley Austin LLP
787 Seventh Avenue
New York, New York 10019
Attention: Robert L. Boyd, Esq.
Telephone: (212) 839-7352
Fax: (212) 839-5599
Email: rboyd@sidley.com

Exhibit 10.25

THIRD AMENDMENT TO MASTER REPURCHASE AGREEMENT

THIRD AMENDMENT TO MASTER REPURCHASE AGREEMENT dated as of January 31, 2018 (this "**Amendment**"), by and among CB LOAN NT-II, LLC, a Delaware limited liability company ("**Seller**"), and CITIBANK, N.A., a national banking association ("**Buyer**"). Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the MRA (defined below).

RECITALS

WHEREAS, Seller and Buyer are parties to that certain Master Repurchase Agreement, dated as of October 15, 2013, as amended by that certain First Amendment to Master Repurchase Agreement, dated as of June 30, 2014 and that certain Second Amendment to Master Repurchase Agreement, dated as of October 14, 2016 (as the same may be further amended, supplemented or otherwise modified from time to time, the "**MRA**");

WHEREAS, Seller and Buyer wish to amend the MRA as more particularly 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. Amendment to Master Repurchase Agreement.

(a) The following definitions in Section 2 of the MRA are hereby deleted in their entirety and the following corresponding definitions are substituted therefor:

"Acceptable Attorney" shall mean Haynes and Boone, LLP, Ropes & Gray LLP or any other attorney-at-law acceptable to Buyer in its reasonable discretion.

"Asset Management Agreement" shall mean the Management Agreement, dated as of January 31, 2018, by and between Manager and Parent, or such other agreement acceptable to Buyer in its reasonable discretion, in each case, as the same shall be amended, modified, waived, supplemented, extended, replaced or restated from time to time.

"Change of Control" shall mean any of the following events shall have occurred without the prior approval of Buyer:

(i) prior to an internalization of management by Parent, if Manager is no longer the manager of Guarantor;

(ii) after such time as Parent is internally managed, any "person" or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act, as amended) shall become, or obtain rights (whether by means of warrants, options or otherwise) to become, the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange

Act), directly or indirectly, of a percentage of the total voting power of all classes of Equity Interests of Guarantor entitled to vote generally in the election of directors, of 49% or more;

(iii) the Parent shall cease to own and control, of record and beneficially, 51% of the Equity Interests of Guarantor;

(iv) Guarantor shall cease to own and control, of record and beneficially, directly or indirectly 100% of the outstanding Equity Interests of Seller; or

(v) any conveyance, transfer, lease or disposal of all or substantially all assets of Guarantor to any Person or entity that does not result in the repurchase by Seller of all Purchased Loans.

Notwithstanding the foregoing, Buyer shall not (i) be deemed to approve or to have approved any internalization of management by Parent or (ii) have waived or be deemed to have waived Section 14(a)(xvii), in either case, as a result of this definition or any other provision herein.

"Guarantor" shall mean Credit RE Operating Company, LLC, a Delaware limited liability company.

"Guaranty" shall mean that certain Amended and Restated Guaranty, dated as of January 31, 2018, from Guarantor in favor of Buyer.

"Manager" shall mean CLNC Manager, LLC, a Delaware limited liability company.

"Material Adverse Effect" shall mean a material adverse effect on (a) the business, condition (financial or otherwise) or results of operations (or prospects) of Seller or Guarantor, (b) the ability of Seller or Guarantor to pay and perform its obligations under any of the Transaction Documents, (c) the legality, validity or enforceability of any of the Transaction Documents, (d) the rights and remedies of Buyer under any of the Transaction Documents, or (e) the perfection or priority of any Lien granted under any Purchased Loan Document.

"Non-Recourse Carve-Out Guaranty" shall mean the Amended and Restated Non-Recourse Carve Out Guaranty, dated as of January 31, from Guarantor to Buyer.

(b) The following definitions shall be added to Section 2 of the MRA in their appropriate alphabetical location as follows:

"Parent" shall mean Colony NorthStar Credit Real Estate, Inc., a Maryland corporation.

"Third Amendment" shall mean that certain Third Amendment to Master Repurchase Agreement, dated as of January 31, 2018, by and between Seller and Buyer.

(c) The definitions for "Account Control Agreement," "Liquidity Reserve Account," "NRFC," and "Required Liquidity Amount" shall be deleted in their entirety from Section 2 of the MRA;

(d) Section 3(b) of the MRA is hereby amended by adding "and" after ";" at the end of Section 3(b)(F), replacing "; and" with "." at the end of Section3(b)(G) and deleting Section3(b)(H) in its entirety;

(e) Section 5 of the MRA is hereby amended by deleting Section 5(g) in its entirety and replacing it with Section 5(h).

(f) Section 6(c) of the MRA is hereby deleted in its entirety and replaced with the following:

> (c) "the Cash Management Account and all financial assets (including, without limitation, all security entitlements with respect to all financial assets) from time to time on deposit in the Cash Management Account;"

(g) Section 10(b)(xv) of the MRA is hereby deleted in its entirety and replaced with the following:

> (xv) "Taxes. Seller and Guarantor have filed or caused to be filed all tax returns which would be delinquent if they had not been filed on or before the date hereof and have paid all taxes shown to be due and payable on or before the date hereof on such returns or on any assessments made against it or any of its respective property and all other taxes, fees or other charges imposed on it and any of its respective assets by any Governmental Authority except for any such taxes as are being appropriately contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves have been provided in accordance with GAAP; no tax liens have been filed against any of its or its respective assets and no claims are being asserted with respect to any such taxes, fees or other charges."

(h) Section 10(b)(xvii) of the MRA is hereby deleted in its entirety and replaced with the following:

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

(i) Section 10(b)(xviii) of the MRA is hereby deleted in its entirety and replaced with the following:

(xviii) "Full and Accurate Disclosure. No information contained in the Transaction Documents, or any written statement furnished by Seller or Guarantor pursuant to the terms of the Transaction Documents, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which they were made."

(j) Section 10(b)(xix) of the MRA is hereby deleted in its entirety and replaced with the following:

(xix) "Financial Information. All financial data concerning Seller and Guarantor that has been delivered by or on behalf of Seller to Buyer is true, complete and correct in all material respects and, other than the financial models and projections with respect to which GAAP is inapplicable, has been prepared in accordance with GAAP. To the actual knowledge of Seller, all financial data concerning the Purchased Loans that has been delivered by or on behalf of Seller to Buyer is true, complete and correct in all material respects. Since the delivery of such data, except as otherwise disclosed in writing to Buyer, there has been no change in the financial position of Seller and Guarantor or in the operations of Seller and Guarantor or, to the actual knowledge of Seller, the financial position of the Purchased Loans, which change is reasonably likely to have in a Material Adverse Effect."

(k) Section 10(b)(xx) of the MRA is hereby deleted in its entirety and replaced with the following:

(xx) "Notice Address; Jurisdiction of Organization. On the date of this Agreement, Seller's address for notices is located at c/o Colony NorthStar, Inc., 590 Madison Avenue, 34th Floor, New York, New York 10022. Seller's jurisdiction of organization is Delaware. The location where Seller keeps its books and records, including all computer tapes and records relating to the Collateral, is its notice address."

(l) Section 11(h) of the MRA is hereby deleted in its entirety and replaced with the following:

(h) "after the occurrence and during the continuation of an Event of Default, make any distribution, payment on account of, or set apart assets for, a sinking or other analogous fund for the purchase, redemption, defeasance, retirement or other acquisition of any Capital Stock of Seller, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of Seller (unless the same is necessary for Parent to maintain its status as a real estate investment trust (REIT) under the Code)."

(m) Section 12(i)(i) of the MRA is hereby deleted in its entirety and replaced with the following:

(i) "As soon as available, but in any event within 45 days after the end of each of the first three fiscal quarters of each fiscal year of Guarantor, a balance sheet of Guarantor and its Subsidiaries as at the end of such fiscal quarter, the related consolidated statements of income or operations for such fiscal quarter and for the portion of Guarantor's fiscal year then ended, and the related consolidated statements of changes in shareholders' equity, and cash flows for the portion of Guarantor's fiscal year then ended, in each case setting forth in comparative form, as applicable, the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail, certified by the chief executive officer, chief financial officer, treasurer or controller of Guarantor as fairly presenting the financial condition, results of operations, shareholders' equity and cash flows of Guarantor and its Subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes;"

(n) Section 12(i)(ii) of the MRA is hereby deleted in its entirety and replaced with the following:

(ii) "As soon as available but in any event within 90 days after the end of each fiscal year of Guarantor, a consolidated balance sheet of Guarantor and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations, changes in shareholders' equity, and cash flows for such fiscal year, setting forth in each case in

comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, audited and accompanied by a report and opinion of an independent certified public accountant of nationally recognized standing reasonably acceptable to Buyer, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit; and"

(o) Section 12(i) of the MRA is hereby amended by deleting the paragraph after Section12(i)(v) and replacing it with the following:

"Documents required to be delivered pursuant to the foregoing may be delivered by electronic communication (including email or otherwise) and if so delivered, shall be deemed to have been delivered on the date (i) on which the applicable party transmits such documents via email, (ii) on which the applicable party posts such documents, or provides a link thereto, on the applicable party's website on the Internet at the website address listed on Schedule I to the Third Amendment (which website address may be updated by Seller by written notice to Buyer), or (iii) on which such documents are posted on the applicable party's behalf on an Internet or intranet website, if any, to which Buyer has access (whether a commercial, third-party website or whether sponsored by Buyer)."

(p) Section 14(a)(iii) of the MRA is hereby deleted in its entirety and replaced with the following:

(iii) "an Act of Insolvency occurs with respect to Seller, Parent, Guarantor or Manager;"

(q) Section 14(a)(iv) of the MRA is hereby deleted in its entirety and replaced with the following:

(iv) "Seller, Parent or Guarantor makes a public disclosure or otherwise admits in writing that it is not Solvent or is not able or not willing to perform any of its obligations hereunder or under any other agreement to which it is a party;"

(r) Section 14(a)(ix) of the MRA is hereby deleted in its entirety and replaced with the following:

(ix) "any governmental, regulatory, or self-regulatory authority shall have removed, suspended or terminated the material rights, privileges, or operations of Seller, Parent, Guarantor or Manager;"

(s) Section 14(a)(xi) of the MRA is hereby deleted in its entirety and replaced with the following:

(xi) "any representation made by Seller or Guarantor in any Transaction Document shall have been incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated (other than the representations and warranties set forth in Section 10(b)(viii) of this Agreement made by Seller, which shall not be considered an Event of Default if incorrect or untrue in any material respect and which incorrect or untrue representation shall be solely used by Buyer as a basis to adjust the Market Value of the applicable Purchased Loan and to make determinations pursuant to Section 4(a) of this Agreement; provided further Seller shall not have made any such representation with actual knowledge that it was materially incorrect or untrue at the time made) and such representation breach continues unremedied for ten (10) Business Days after the earlier of receipt of notice thereof from Buyer or the discovery of such failure by the applicable Person;"

(t) Section 14(a)(xiii) of the MRA is hereby deleted in its entirety and replaced with the following:

(xiii) "a final non-appealable judgment by any competent court in the United States of America having jurisdiction over Seller for the payment of money in an amount greater than $100,000 (in the case of Seller) or $5,000,000 (in the case of the Parent or Guarantor) shall have been rendered against Seller, Parent or Guarantor, unless execution of such judgment is stayed by the posting of cash or a bond or other collateral acceptable to Buyer in the amount of the judgment or otherwise is discharged (or provision is made for such discharge);"

(u) Section 14(a)(xiv) of the MRA is hereby deleted in its entirety and replaced with the following:

(xiv) "Seller, Parent or Guarantor shall have defaulted or failed to perform under any note, indenture, loan agreement, guaranty, swap agreement or any other contract, agreement or transaction to which it is a party, which default (A) involves the failure to pay a monetary obligation in excess of $100,000 (in the case of Seller) or $5,000,000 (in the case of Parent or Guarantor), or (B) permits the acceleration of the maturity of obligations in excess of $100,000 (in the case of Seller) or $5,000,000 (in the case of Parent or Guarantor) by any other

party to or beneficiary of such note, indenture, loan agreement, guaranty, swap agreement or other contract agreement or transaction; provided, however, that any such default, failure to perform or breach shall not constitute an Event of Default if Seller, Parent or Guarantor cures such default, failure to perform or breach, as the case may be, within the grace notice and/or cure period, if any, provided under the applicable agreement;"

(v) Section 14(a)(xv) of the MRA is hereby deleted in its entirety and replaced with the following:

(xv) "Intentionally omitted."

(w) Section 29(d) of the MRA is hereby deleted in its entirety and replaced with the following:

(d) "Seller shall not employ sub-servicers to service the Purchased Loans without the prior written approval of Buyer in its sole discretion; provided, this Section 29(d) shall not apply to an Affiliate of Seller and Guarantor."

(x) Section 30(d) of the MRA is hereby deleted in its entirety and replaced with the following:

(d) "Without limiting the rights and remedies of Buyer under the Transaction Documents, Seller shall pay Buyer's reasonable actual out-of-pocket costs and expenses, including reasonable fees and expenses of accountants, attorneys and advisors, incurred in connection with the preparation, negotiation, execution and consummation of, and any amendment, supplement or modification to, the Transaction Documents and the Transactions thereunder. Seller agrees to pay Buyer promptly all costs and expenses (including reasonable expenses for legal services of every kind) of any subsequent enforcement of any of the provisions hereof, or of the performance by Buyer of any obligations of Seller in respect of the Purchased Loans, or any actual or attempted sale, or any exchange, enforcement, collection, compromise or settlement in respect of any of the Collateral and for the custody, care or preservation of the Collateral (including insurance costs) and defending or asserting rights and claims of Buyer in respect thereof, by litigation or otherwise. In addition, Seller agrees to pay Buyer promptly all reasonable costs and expenses (including reasonable expenses for legal services) incurred in connection with the maintenance of the

Cash Management Account and registering the Collateral in the name of Buyer or its nominee."

All such expenses shall be recourse obligations of Seller to Buyer under this Agreement.

(y) Annex I of the MRA is hereby deleted in its entirety and replaced with Annex I attached as Schedule II hereto.

SECTION 2. Omnibus Amendment to Transaction Documents. Any references to the MRA in the Transaction Documents shall hereinafter refer to the MRA as modified by this Amendment.

SECTION 3. Conditions. This Amendment shall become effective as of the date hereof (the "**Amendment Effective Date**"), subject to the satisfaction of the following conditions precedent and subsequent:

(a) Delivered Documents. On the Amendment Effective Date, as conditions precedent to the effectiveness hereof Buyer shall have received the following documents, each of which shall be satisfactory to Buyer in form and substance:

(i) this Amendment, executed and delivered by Seller and Buyer; and

(ii) that certain Guaranty and Non-Recourse Carve-Out Guaranty, executed and delivered by Guarantor, and legal opinions relating thereto.

SECTION 4. Due Authority. Seller hereby represents and warrants to Buyer that, as of the date hereof, (i) it has the power to execute, deliver and perform its respective obligations under this Amendment, (ii) this Amendment has been duly executed and delivered by it for good and valuable consideration, and constitutes its legal, valid and binding obligation enforceable against it in accordance with its terms subject to bankruptcy, insolvency, and other limitations on creditors' rights generally and to equitable principles, and (iii) neither the execution and delivery of this Amendment, nor the consummation by it of the transactions contemplated by this Amendment, nor compliance by it with the terms, conditions and provisions of this Amendment will conflict with or result in a breach of any of the terms, conditions or provisions of (A) its organizational documents, (B) any contractual obligation to which it is now a party or the rights under which have been assigned to it or the obligations under which have been assumed by it or to which its assets are subject or constitute a default thereunder, or result thereunder in the creation or imposition of any lien upon any of it's assets, other than pursuant to this Amendment, (C) any judgment or order, writ, injunction, decree or demand of any court applicable to it, or (D) any applicable Requirement of Law, in the case of clauses (A)-(C) above, to the extent that such conflict or breach is reasonably likely to result in a Material Adverse Effect.

SECTION 5. Counterparts. This Amendment may be executed by each of the parties hereto on any number of separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment in Portable Document Format (PDF) or by facsimile transmission shall be effective as delivery of a manually executed original counterpart thereof.

SECTION 6. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAWS PRINCIPALS.

SECTION 7. MRA and Transaction Documents in Full Force and Effect. Except as expressly amended hereby, Seller acknowledges and agrees that all of the terms, covenants and conditions of the MRA and the other Transaction Documents remain unmodified and in full force and effect and are hereby ratified and confirmed in all respects.

SECTION 8. Acknowledgment of Guaranty. Buyer and Seller hereby acknowledge and agree that the Guaranty to be executed and delivered by Guarantor on the Amendment Effective Date shall replace in its entirety that certain Limited Guaranty and Non-Recourse Carve-Out Guaranty, each dated as of October 15, 2013 (as amended prior to the date hereof, the "**Prior Guaranty**") made by NorthStar Real Estate Income II, Inc. in favor of Buyer, and that following the Amendment Effective Date, the Prior Guaranty shall be of no further force and effect.

[NO FURTHER TEXT ON THIS PAGE]

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:

CITIBANK, N.A.

By: /s/ Richard B. Schlenger
Name: Richard B. Schlenger
Title: Authorized Signatory

[signatures continued on next page]

SELLER:

CB LOAN NT-II, LLC,
a Delaware limited liability company

By: NorthStar Real Estate Income Operating Partnership II, LLC, a Delaware limited liability company, its sole equity member

By: Credit RE Operating Company, LLC, a Delaware limited liability company, its sole equity member

By: /s/ David A. Palamé
Name: David A. Palamé
Title: Vice President

Schedule I

http://ir.clncredit.com/financial-information/sec-filings

Schedule II

ANNEX I

Names and Addresses for Communications Between Parties

Buyer:

Citibank, N.A.
388 Greenwich Street
New York, New York 10013
Attention: Richard Schlenger
Tel: (212) 816-7806
Fax: (212) 816-8307

and

Sidley Austin LLP
787 Seventh Avenue
New York, New York 10019
Attention: Brian Krisberg, Esq.
Tel: (212) 839-8735
Fax: (212) 839-5599

Seller:

CB Loan NT-II, LLC
c/o Colony NorthStar, Inc.
590 Madison Avenue, 34th Floor
New York, New York 10022
Attention: David A. Palamé
Tel: (212) 230-3325
Fax: (646) 837-5323

With copies to:

Ropes & Gray LLP
1211 Avenue of the Americas
New York, New York 10036-8704
Attention: Daniel L. Stanco, Esq.
Tel: (212) 841-5758
Fax: (646) 728-1677

Exhibit 10.26

AMENDED AND RESTATED LIMITED GUARANTY

THIS AMENDED AND RESTATED LIMITED GUARANTY (as amended, modified, waived, supplemented, extended, restated or replaced from time to time, this "Guaranty") is made as of the 31st day of January, 2018, by **CREDIT RE OPERATING COMPANY, LLC**, a Delaware limited liability company (together with its successors and permitted assigns and any other Person that becomes a guarantor under this Guaranty, "Guarantor"), for the benefit of **CITIBANK, N.A.**, a national banking association, as buyer under the Repurchase Agreement (in such capacity, together with its successors and assigns, "Buyer").

RECITALS:

WHEREAS, under and subject to the terms of the Master Repurchase Agreement, dated as of October 15, 2013, as amended by that certain First Amendment to Master Repurchase Agreement, dated as of June 30, 2014, that certain Second Amendment to Master Repurchase Agreement, dated as of October 14, 2016 and that certain Third Amendment to Master Repurchase Agreement, dated as of the date hereof (as the same may be further amended, modified, restated, replaced, waived, substituted, supplemented or extended from time to time, the "Repurchase Agreement"), by and between CB LOAN NT-II, LLC, a Delaware limited liability company, as seller (together with its successors and permitted assigns, "Seller"), and Buyer, as buyer, Seller may sell and Buyer may purchase Purchased Loans with a simultaneous agreement by such Seller to repurchase such Purchased Loans;

WHEREAS, NorthStar Real Estate Income II, Inc., a Maryland corporation ("Original Guarantor") guaranteed the obligations of Seller under the Repurchase Agreement and the other Transaction Documents pursuant to that certain Limited Guaranty, dated as of October 15, 2013 (as amended, modified and/or restated prior to the date hereof, the "Original Guaranty"), from Original Guarantor to Buyer;

WHEREAS, In connection with that certain Third Amendment to Master Repurchase Agreement, dated as of the date hereof (the "Third Amendment to Master Repurchase Agreement"), between Seller and Buyer, the parties have agreed that the Original Guaranty shall be amended, restated and superseded in its entirety by this Guaranty, and Guarantor is executing and delivering this Guaranty. This Guaranty hereby amends, restates, replaces and supersedes the Original Guaranty in its entirety and Buyer hereby releases Original Guarantor from all liability relating to the payments, covenants, conditions, stipulations and other obligations contained in or arising under the Original Guaranty, except for any liability which may have accrued prior to the date hereof against Original Guarantor under the Original Guaranty for which a claim has been made prior to the date hereof;

WHEREAS, Buyer has requested, as a condition of entering into the Third Amendment to Repurchase Agreement, that Guarantor execute and deliver this Guaranty to Buyer;

WHEREAS, Guarantor is an Affiliate (as defined in the Repurchase Agreement) and directly or indirectly controls Seller;

WHEREAS, Guarantor expects to benefit if Buyer enters into the Third Amendment to Repurchase Agreement with Seller; and

WHEREAS, Buyer would not enter into the Third Amendment to Repurchase Agreement unless Guarantor executed this Guaranty. This Guaranty is therefore delivered to induce Buyer to enter into the Third Amendment to Repurchase Agreement.

NOW, THEREFORE, based upon the foregoing Recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor, intending to be legally bound, hereby agrees as follows:

ARTICLE 1

DEFINITIONS

Section 1.01 Definitions.

(a) Unless otherwise defined above or in this Article 1, capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Repurchase Agreement or in the UCC (defined in the Repurchase Agreement).

(b) As used in this Guaranty and the schedules, exhibits, annexes or other attachments hereto, unless the context requires a different meaning, the following terms shall have the following meanings:

"Available Borrowing Capacity": On any date of determination, the total unrestricted borrowing capacity which may be drawn (taking into account required reserves and discounts) upon by the Sponsor and its Subsidiaries under any credit facilities (including repurchase agreements, note on note facilities, or otherwise), but with respect to any such credit facility, solely to the extent that such available borrowing capacity is committed by the related lender.

"Capital Expenditures": With respect to any Person for any period, the aggregate of all expenditures by such Person and its Subsidiaries for the acquisition or leasing (pursuant to a capital lease) of fixed or capital assets or additions to equipment (including replacements, capitalized repairs and improvements during such period) that should be capitalized under GAAP on a consolidated balance sheet of such Person and its Subsidiaries.

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

"Capital Stock": With respect to any Person, all of the shares of capital stock or share capital of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock or share capital of (or other ownership or profit interests in) such Person, all of the securities convertible into or

exchangeable for shares of capital stock or share capital of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

"Cash Equivalents": As of any date of determination (i) marketable securities (a) issued or the principal and interest of which are directly and unconditionally guaranteed by the United States or (b) issued by any agency of the United States, the obligations of which are backed by the full faith and credit of the United States and (ii) time deposits, certificates of deposit, money market accounts or banker's acceptances of any investment grade rated commercial bank, in each case with respect to clauses (i) and (ii) which mature within ninety (90) days after such date of determination.

"Code": The Internal Revenue Code of 1986 and the regulations promulgated and rulings issued thereunder, in each case as amended, modified or replaced from time to time.

"Commonly Controlled Entity": An entity, whether or not incorporated, which is under common control with Seller or Guarantor within the meaning of Section 4001(b)(1) of ERISA or is part of a group which includes Seller or Guarantor and which is treated as a single employer under Section 414(b) or 414(c) of the Code or, solely for purposes of Section 412 of the Code to the extent required by such section, Section 414(m) or 414(o) of the Code.

"Consolidated EBITDA": With respect to any Person for any period, Core Earnings plus an amount which, in the determination of Core Earnings for such period, has been deducted (and not added back) for, without duplication, (i) Consolidated Interest Expense, (ii) provisions for taxes based on income of such Person and its Consolidated Subsidiaries (provided that Consolidated EBITDA shall, solely with respect to the Consolidated EBITDA attributable to any Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of such attributable amount), and (iii) preferred dividends.

"Consolidated Group Pro Rata Share": With respect to any Non Wholly-Owned Consolidated Affiliate, the percentage interest held by the Guarantor and its Wholly Owned Subsidiaries, in the aggregate, in such Non Wholly-Owned Consolidated Affiliate determined by calculating the percentage of Capital Stock of such Non Wholly-Owned Consolidated Affiliate owned by the Guarantor and its Wholly Owned Subsidiaries.

"Consolidated Interest Expense": With respect to any Person for any period, total interest expense (including that attributable to Capital Lease Obligations) of such Person and its Consolidated Subsidiaries for such period with respect to all outstanding Indebtedness of such Person and its Consolidated Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs under Swap Agreements in respect of interest rates to the extent such net costs are allocable to such period in accordance with GAAP); provided that Consolidated Interest Expense shall, with respect to any Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share

of the total cash interest expense (determined in accordance with GAAP) of such Non Wholly-Owned Consolidated Affiliate for such period.

"Consolidated Leverage Ratio": With respect to any Person on any date of determination, the ratio of (a) Consolidated Total Debt on such day to (b) Total Asset Value as of such date.

"Consolidated Subsidiaries": With respect to any Person, all Subsidiaries of such Person which are consolidated with such Person for financial reporting purposes under GAAP.

"Consolidated Tangible Net Worth": For any Person on any date of determination, all amounts that would, in conformity with GAAP, be included on a consolidated balance sheet of such Person and its Consolidated Subsidiaries under stockholders' equity at such date plus (i) accumulated depreciation and (ii) amortization of real estate intangibles such as in-place lease value, above and below market lease value and deferred leasing costs which are purchase price allocations determined upon the acquisition of real estate, in each case, of such Person and its Consolidated Subsidiaries on such date (provided that the amounts described in the foregoing clauses (i) and (ii) shall, solely with respect to any such amount attributable to any Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of such attributable amount) minus the Intangible Assets of such Person and its Consolidated Subsidiaries on such date (provided that any such amount deducted with respect to deferred financing costs shall, solely with respect to any such amount attributable to any Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of such attributable amount).

"Consolidated Total Debt": With respect to any Person on any date of determination, the aggregate principal amount of all Indebtedness of the such Person and its Consolidated Subsidiaries at such date, determined on a consolidated basis in accordance with GAAP; provided that Consolidated Total Debt shall (i) exclude any Indebtedness attributable to a Specified GAAP Reportable B Loan Transaction, (ii) exclude all Permitted Non-Recourse CLO Indebtedness and (iii) solely with respect to the Indebtedness of any Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of such Indebtedness.

"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.

"Core Earnings": With respect to any Person for any period, net income determined in accordance with GAAP of such Person and its consolidated subsidiaries and excluding (but only to the extent included in determining net income for such period) (i) non-cash equity compensation expense, (ii) the expenses incurred in connection with the formation of the Sponsor and the offering in connection therewith, including the initial underwriting discounts and commissions, (iii) acquisition costs from successful acquisitions (other than acquisitions made in the ordinary course of business), (iv) real property depreciation and amortization, (v) any unrealized gains or losses or other similar non-cash items that are included in net income for the current quarter, regardless of whether such items are included in other comprehensive income or loss, (vi) extraordinary or non-recurring gains or losses and (vii) one-time expenses, charges or gains relating to changes in GAAP;

provided that Core Earnings shall, solely with respect to the Core Earnings attributable to any Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of such attributable amount.

"Customary Recourse Exceptions": With respect to any Non-Recourse Indebtedness, exclusions from the exculpation provisions with respect to such Non-Recourse Indebtedness such as fraud, misapplication of cash, voluntary bankruptcy, environmental claims, breach of representations and warranties, failure to pay taxes and insurance, as applicable, and other circumstances customarily excluded by institutional lenders from exculpation provisions and/or included in separate indemnification agreements in non-recourse financings of commercial real estate.

"Default Rate" shall have the meaning specified in Section 2.01 of this Guaranty.

"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.

"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 or otherwise existing on any date.

"Foreign Corrupt Practices Act": Title 15 of the United States Code (15 U.S.C. §§ 78dd-1, *et seq.*), as amended, modified or replaced from time to time.

"GAAP": With respect to the financial statements or other financial information of any Person, generally accepted accounting principles in the United States which are in effect from time to time.

"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.

"Guarantee" means, as to any Person, any obligation of such Person directly or indirectly guaranteeing any Indebtedness of any other Person or in any manner providing for the payment of any Indebtedness of any other Person or otherwise protecting the holder of such Indebtedness against loss (whether by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, or to take-or-pay or otherwise); provided that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee of a Person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which the Guarantee is made and (b) the maximum amount for which such Person may be liable pursuant to the terms of the instrument embodying such Guarantee, unless such primary obligation or maximum amount for which such Person may be liable is not stated or determinable, in which case the amount of such Guarantee shall be such Person's maximum reasonably anticipated liability in respect thereof as determined by such Person in accordance with GAAP. The terms "Guarantee" and "Guaranteed" used as verbs shall have correlative meanings.

"Guarantor Claims": Defined in Section 6.25(a).

"Guarantor Indebtedness": Any and all Indebtedness of Seller, Guarantor or any other Person specified under the Transaction Documents to Buyer, the Indemnified Parties and any other Person specified under the Transaction Documents in connection with the Transaction Documents, including, but not limited to, the aggregate Repurchase Price outstanding, the aggregate Price Differential outstanding, all other Repurchase Obligations outstanding, and amounts that would be owed by Seller, Guarantor or any other Person to Buyer or any Indemnified Parties but for the fact that they are unenforceable or not allowable, including due to any Act of Insolvency of Seller, in each case of such Guarantor Indebtedness, howsoever created, arising, incurred, acquired or evidenced, whether existing now or arising hereafter, as such Guarantor Indebtedness may be amended, modified, extended, renewed or replaced from time to time.

"Guarantor Liabilities": Defined in Section 2.01.

"Guarantor Obligations": Defined in Section 2.01.

"Guaranty Limit": The amount equal to 100% of the aggregate outstanding Repurchase Price for all Purchased Loans, provided, that upon, and from and after, Guarantor having raised $50,000,000 of equity capital, the "Guaranty Limit" shall mean the sum of (a) twenty five percent (25%) of the aggregate outstanding Repurchase Price for Purchased Loans with a Debt Yield (Purchase Price), calculated as of the applicable Purchase Date for such Purchased Loans, equal to or greater than 10% and (b) one hundred percent (100%) of the aggregate outstanding Repurchase Price for Purchased Loans with a Debt Yield (Purchase Price), calculated as of the applicable Purchase Date for such Purchased Loans, less than 10%.

"Indebtedness": As to any Person at a particular time, without duplication, the following to the extent they are included as indebtedness or liabilities in accordance with GAAP:

(a) obligations created, issued or incurred by such Person for borrowed money (whether by loan, the issuance and sale of debt securities or the sale of property to another Person subject to an understanding or agreement, contingent or otherwise, to repurchase such property from such Person);

(b) obligations of such Person to pay the deferred purchase or acquisition price of property or services, other than trade accounts payable (other than for borrowed money) arising, and accrued expenses incurred, in the ordinary course of business so long as such trade accounts payable are payable within sixty (60) days of the date the respective goods are delivered or the respective services are rendered;

(c) Indebtedness of others secured by a lien on the property of such Person, whether or not the respective Indebtedness so secured has been assumed by such Person;

(d) obligations (contingent or otherwise) of such Person in respect of letters of credit or similar instruments issued or accepted by banks and other financial institutions for the account of such Person;

(e) Capital Lease Obligations of such Person;

(f) obligations of such Person under repurchase agreements, sale/buy-back agreements or like arrangements;

(g) Indebtedness of others Guaranteed by such Person;

(h) all obligations of such Person incurred in connection with the acquisition or carrying of fixed assets by such Person;

(i) Indebtedness of general partnerships of which such Person is a general partner; and

(j) all net liabilities or obligations under any interest rate swap, interest rate cap, interest rate floor, interest rate collar or other hedging instrument or agreement.

"Intangible Assets": Assets that are considered to be intangible assets under GAAP, including customer lists, goodwill, computer software, copyrights, trade names, trademarks, patents, franchises, licenses, unamortized deferred charges (including deferred financing costs), unamortized debt discount and capitalized research and development costs; provided, however, that Intangible Assets shall not include real estate intangibles such as in-place lease value, above and below market lease value and deferred leasing costs which are purchase price allocations determined upon the acquisition of real estate.

"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 Act of Insolvency.

"Intangible Assets": With respect to Guarantor on any date, assets that are considered to be intangible assets under GAAP, including customer lists, goodwill, computer software, copyrights, trade names, trademarks, patents, franchises, licenses, unamortized deferred charges, unamortized debt discount and capitalized research and development costs.

"Internal Control Event": Fraud that involves management or other employees who have a significant role in the internal controls of Seller or Guarantor 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 (when exercised) 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 the Purchased Loan Documents, 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.

"Liquidity": For any Person and its Consolidated Subsidiaries, the sum of (a) cash and Cash Equivalents and (b) Available Borrowing Capacity.

"Multiemployer Plan": A Plan that is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Non Wholly-Owned Consolidated Affiliate": Each Consolidated Subsidiary of the Guarantor in which less than 100% of each class of the Capital Stock (other than directors' qualifying shares, if applicable) of such Consolidated Subsidiary are at the time owned, directly or indirectly, by the Guarantor.

"Non-Recourse Indebtedness": Indebtedness that is not Recourse Indebtedness.

"PBGC": The Pension Benefit Guaranty Corporation established pursuant to Section 4002 of ERISA or any successor thereto.

"Permitted Liens": Any of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding has been commenced: (a) Liens for state, municipal, local or other local taxes not yet due and payable or which are being contested in good faith and by appropriate

proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP, (b) Liens imposed by Requirement of Law, such as materialmen's, mechanics', carriers', workmen's, repairmen's and similar Liens, arising in the ordinary course of business securing obligations that are not overdue for more than thirty (30) days, and (c) Liens granted pursuant to or by the Transaction Documents.

"Permitted Non-Recourse CLO Indebtedness": Indebtedness that is (i) incurred by a Subsidiary of Guarantor in the form of asset-backed securities commonly referred to as "collateralized loan obligations" or "collateralized debt obligations" and (ii) is Non-Recourse Indebtedness.

"Person": Any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, governmental authority or other entity.

"Plan": An employee pension benefit plan as defined in Section 3(2) of ERISA that is subject to Section 412 of the Code or Section 303 of ERISA in respect of which any Seller, Servicer, Guarantor or any Commonly Controlled Entity sponsors, contributes to or is obligated to contribute to, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be, an "employer" as defined in Section 3(5) of ERISA.

"Recourse Indebtedness": With respect to any Person, for any period, without duplication, the aggregate Indebtedness in respect of which such Person is subject to recourse for payment, whether as a borrower, guarantor or otherwise; provided, that Indebtedness arising pursuant to Customary Recourse Exceptions shall not constitute Recourse Indebtedness until such time (if any) as demand has been made for the payment or performance of such Indebtedness.

"Rating Agencies": Each of Fitch, Inc., Moody's, S&P and any other nationally recognized statistical rating agency.

"REIT": A Person qualifying for treatment as a "real estate investment trust" under the Code.

"Reportable Event": Any event set forth in Section 4043(c) of ERISA, other than an event as to which the notice period is waived under PBGC Reg. § 4043.

"Repurchase Obligations": All obligations of Seller to pay the Repurchase Price on the Repurchase Date and all other obligations and liabilities of Seller and Guarantor to Buyer arising under or in connection with the Transaction Documents, whether now existing or hereafter arising, and all interest and fees that accrue in connection with the Transaction Documents after the commencement by or against Seller or Guarantor of any Insolvency Proceeding naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding (in each case, whether due or accrued).

"Responsible Officer": With respect to any Person, the chief executive officer, the chief financial officer, the chief accounting officer, the presidents/co-presidents, the general counsel, the treasurer or the chief operating officer of such Person or such other officer designated as an authorized signatory in such Person's Governing Documents.

"Sanctioned Entity": (a) A country or a government of a country, (b) an agency of the government of a country, (c) an organization directly or indirectly controlled by a country or its government, (d) a Person resident in or determined to be resident in a country, that (in the case of the preceding clauses (a), (b), (c) and this clause (d)) is subject to a country sanctions program administered and enforced by the Office of Foreign Assets Control, or (e) a Person named on the list of Specially Designated Nationals maintained by the Office of Foreign Assets Control.

"Single Employer Plan": Any Plan that is not a Multiemployer Plan.

"Specified GAAP Reportable B Loan Transaction": A transaction involving either (i) the sale by the Guarantor or any Subsidiary of Guarantor of the portion of an investment consisting of an "A-Note", and the retention by the Guarantor or any Subsidiary of Guarantor of the portion of such Investment Asset consisting of a "B-Note", which transaction is required to be accounted for under GAAP as a "financing transaction" or (ii) the acquisition or retention by the Guarantor or any of its Subsidiaries of an Investment Asset consisting of a "b-piece" in a securitization facility, which transaction under GAAP results in all of the assets of the trust that is party to the securitization facility, and all of the bonds issued by such trust under such securitization facility that are senior to the "b-piece", to be consolidated on the Guarantor's consolidated balance sheet as assets and liabilities, respectively.

"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.

"Subsidiary": As to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person.

"Swap Agreement": Any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any

combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Guarantor or any of its Subsidiaries shall be a "Swap Agreement".

"Total Asset Value": With respect to any Person as of any date of determination, the net book value of the total assets of such Person and its Consolidated Subsidiaries on such date as determined in accordance with GAAP plus (x) accumulated depreciation and (y) amortization of real estate intangibles; provided, that Total Asset Value shall (i) exclude the amount of all restricted cash (other than reserves for Capital Expenditures) of such Person and its Consolidated Subsidiaries to the extent such cash supports obligations that do not constitute Consolidated Total Debt, (ii) include the net book value of assets associated with a Specified GAAP Reportable B Loan Transaction only to the extent in excess of the amount of any Indebtedness attributable to such Specified GAAP Reportable B Loan Transaction, (iii) include the net book value of assets associated with any Permitted Non-Recourse CLO Indebtedness and (iv) solely with respect to the net book value of the total assets of a Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of the net book value of such Non Wholly-Owned Consolidated Affiliate's total assets.

"Underlying Obligor": Individually and collectively, as the context may require, the Mortgagor and other obligor or obligors under a Purchased Loan, including (i) any Person that 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 Loan, and (ii) any other Person who has assumed or guaranteed the obligations of such Mortgagor under the Purchased Loan Documents relating to a Purchased Loan.

Section 1.02 Interpretive Provisions. Headings are for convenience only and do not affect interpretation. The following rules of this Section 1.02 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 Guaranty, all of which are hereby incorporated herein by this reference and made a part hereof. A reference to a party to this Guaranty or another agreement or document includes the party's permitted successors, substitutes or assigns. In the event there is more than one Seller or Guarantor, the act or omission by, or occurrence with respect to, any one Seller or Guarantor, as the case may be, shall be sufficient to result in the triggering of the applicable provision of the Transaction Documents. A reference to an agreement or document is to the agreement or document as amended, modified, novated, supplemented or replaced in accordance with the terms thereof, except to the extent prohibited by any Transaction Document. A reference to legislation or to a provision of legislation includes a modification, codification, replacement, amendment or re-enactment 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 Guaranty as a whole and not to any particular provision of this Guaranty, 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 Guaranty 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 a document includes an agreement (as so defined) in writing or a certificate, notice, instrument or document, or any information recorded in computer disk form. Whenever a Person is required to provide any document to Buyer under the Transaction Documents, the relevant document shall be provided in writing including in the form of a PDF attachment to electronic mail or printed form unless Buyer requests otherwise. At the request of Buyer, the document shall be provided in electronic format or both printed and electronic format. The Transaction Documents are the result of negotiations between Seller, Guarantor and Buyer, have been reviewed by counsel to Buyer and counsel to Seller and Guarantor, 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 Transaction Documents or the Transaction 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 in any Transaction Document to Buyer’s discretion shall mean, unless otherwise expressly stated herein or therein, Buyer’s sole and absolute discretion (exercised in good faith), 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 unless otherwise expressly stated herein or therein shall be in the sole and absolute discretion of Buyer (exercised in good faith), and such decision shall be final and conclusive.

ARTICLE 2

GUARANTY OF PAYMENT AND PERFORMANCE

Section 2.01 **Guaranty**. Guarantor hereby absolutely, primarily, unconditionally and irrevocably guarantees to Buyer, as primary obligor, as guarantor of payment and performance and not as surety or guarantor of collection and as and for its own debt, until the final and indefeasible payment in full thereof, subject to the terms of this Section 2.01, (i) the payment, when due, by maturity, mandatory prepayment, acceleration or otherwise, of the Guarantor Indebtedness and any amounts due under Article 5 of this Guaranty, and (ii) the full and timely performance of, and compliance with, each and every duty, agreement, undertaking, indemnity, obligation and liability of Seller under the Transaction Documents strictly in accordance with the terms thereof (collectively, the "Guarantor Obligations" and, together with the Guarantor Indebtedness, the "Guarantor Liabilities"), in each case, however created, arising, incurred, acquired or evidenced, whether primary, secondary, direct, indirect, absolute, contingent, joint, several or joint and several, and whether now or hereafter existing or due or to become due, as the foregoing are amended, modified, extended, renewed or replaced from time to time. All payments by Guarantor under this Guaranty shall be in immediately available lawful money of the United States of America and without deduction, defense, set-off or counterclaim. Any amounts not paid when due shall accrue interest at the Pricing Rate applicable during the continuance of an Event of Default (such rate, the "Default Rate"). Notwithstanding any provision to the contrary contained herein or in any of the other Transaction Documents, the obligations of Guarantor hereunder shall be limited to an aggregate amount equal to the largest amount that would not render its obligations hereunder subject to avoidance under Section 548 of the Bankruptcy Code or any comparable provisions of any Requirement of Law of any state. Notwithstanding anything to the contrary contained herein, the Guarantor shall not be liable for any Guarantor Indebtedness in excess of the Guaranty Limit; provided, that such limitation shall not apply to the payment of any amounts that arise under Article 5 of this Guaranty or to any payment required pursuant to the Non-Recourse Carve Out Guaranty, which amounts under Article 5 and the Non-Recourse Carve-Out Guaranty, if applicable, are in addition to but without duplication of the amounts payable under this Guaranty.

Section 2.02 **Release of Collateral, Parties Liable, etc**. Guarantor agrees that, except as otherwise provided in the Repurchase Agreement, (a) any or all of the Purchased Loans and other collateral, security and property now or hereafter held for the Guaranty or the Guarantor Liabilities may be released, waived, exchanged, terminated, modified, sold, assigned, hypothecated, participated, pledged, compromised, surrendered or otherwise transferred or disposed of from time to time, (b) except as expressly set forth in the Transaction Documents, Buyer shall have no obligation to protect, perfect, secure, enforce, release, exchange or insure any Purchased Loans or any collateral, security, property, Liens, interests or encumbrances now or hereafter held for the Guaranty or the Guarantor Liabilities or the properties subject thereto, (c) the time, place, manner or terms of payment of the Guarantor Liabilities may be changed or extended, in whole or in part, to a time certain or otherwise, and may be renewed, increased, altered or accelerated, in whole or in part, (d) Buyer may take any action in the exercise of any right, power, remedy or privilege under the Transaction Documents or Requirement of Law or waive or refrain from exercising any of the

foregoing, (e) any of the provisions of the Repurchase Agreement and the other Transaction Documents and the Guarantor Liabilities may be modified, amended, waived, supplemented, replaced or restated from time to time, (f) any party liable for the payment of the Repurchase Obligations or the Guarantor Liabilities, including, without limitation, other guarantors, may be granted indulgences, released or substituted, (g) any deposit balance for the credit of Seller or any other party liable for the payment of the Guarantor Liabilities, including, without limitation, other guarantors, or liable upon any security therefor, may be released, in whole or in part, at, before and/or after the stated, extended or accelerated maturity of the Guarantor Liabilities and (h) Buyer may apply any sums by whomever paid or however realized to any amounts owing by any Guarantor, Seller or any other Person for the Repurchase Obligations or the Guarantor Liabilities in such manner as Buyer may determine in its discretion, subject to the terms of the Transaction Documents, all of the foregoing in clauses (a) through (h) without notice to or further assent by Guarantor, who shall remain bound thereon, notwithstanding any such exchange, compromise, surrender, extension, renewal, acceleration, modification, indulgence, release or other act.

Section 2.03 **Waiver of Rights**. Guarantor expressly waives: (a) notice of acceptance of this Guaranty by Buyer and of all extensions of credit, loans or advances to or purchases from Seller by Buyer; (b) diligence, presentment and demand for payment of any of the Guarantor Liabilities; (c) protest and notice of dishonor or of default to Guarantor or to any other party with respect to the Guarantor Liabilities or with respect to any collateral, security or property therefor; (d) notice of Buyer obtaining, amending, substituting for, releasing, waiving, modifying, extending, replacing or restating all or any portion of the Guarantor Liabilities, the Repurchase Agreement, any other Transaction Document, other guarantees or any Lien now or hereafter securing the Guarantor Liabilities or the Guaranty, or Buyer subordinating, compromising, discharging, terminating or releasing such Liens; (e) notice of the execution and delivery by Seller, Buyer or any other Person of any other loan, purchase, credit or security agreement or document or of Seller's or such other Person's execution and delivery of any promissory notes or other documents arising under or in connection with the Transaction Documents or in connection with any purchase of Seller's or such other Person's property or assets; (f) except as otherwise required pursuant to the Repurchase Agreement, notice of the occurrence of any breach by Seller or any other Person or of any Event of Default; (g) except as otherwise required pursuant to the Repurchase Agreement, notice of Buyer's transfer, disposition, assignment, sale, pledge or participation of the Guarantor Liabilities, the Purchased Loans, the Transaction Documents, the Purchased Loan Documents, or any collateral, security or property for the Guaranty or the Guarantor Liabilities or any portion of the foregoing; (h) except as otherwise required pursuant to the Repurchase Agreement, notice of the sale or foreclosure (or posting or advertising for sale or foreclosure) of all or any portion of any Purchased Loans or any collateral, security or property for the Guaranty or the Guarantor Liabilities; (i) notice of the protest, proof of non-payment or default by Seller or any other Person; (j) except as otherwise required pursuant to the Repurchase Agreement, any other action at any time taken or omitted by Buyer, and, generally, all demands and notices of every kind in connection with this Guaranty, the Transaction Documents, the Guarantor Liabilities, the Purchased Loans, any collateral, security or property for the Guaranty or the Guarantor Liabilities, the Purchased Loan Documents, any documents or agreements evidencing, securing or relating to any of the Guaranty or the Guarantor Liabilities and the obligations hereby guaranteed; (k) all other notices to which Guarantor might otherwise be entitled; (l) demand for payment under this Guaranty; (m) any right to assert against

Buyer, as a defense, counterclaim, set-off or cross-claim, any defense (legal or equitable), disability, set-off, counterclaim or claim of any kind or nature whatsoever that any Guarantor or Seller may now or hereafter have against Buyer (other than payment in full of the Guarantor Liabilities), Seller or any other Person, but such waiver shall not prevent Guarantor from asserting against Buyer in a separate action, any claim, action, cause of action or demand that Guarantor might have, whether or not arising out of this Guaranty; (n) to the fullest extent permitted by Requirement of Law, the right (if any) to revoke this Guaranty as to any future Guarantor Liabilities; and (o) any right at any time to insist upon, plead or in any manner whatsoever claim or take the benefit or advantage of any appraisal, valuation, stay, extension, marshalling of assets or redemption laws, or exemption, whether now or at any time hereafter in force, which may delay, prevent or otherwise effect the performance by Guarantor of the Guarantor Liabilities or the enforcement by Buyer of the Guarantor Liabilities or this Guaranty. It shall not be necessary for Buyer (and Guarantor hereby waives any rights which Guarantor may have to require Buyer), in order to enforce the obligations of Guarantor hereunder, to (i) institute suit, enforce its rights or exhaust its remedies against Seller, others liable on the Guarantor Liabilities, the Underlying Obligors or any other Person, (ii) enforce Buyer's rights or exhaust its remedies under or with respect to the Purchased Loan Documents and the collateral and property secured thereby, the Purchased Loans or any collateral, security or property which shall ever have been given to secure the Transaction Documents or the Guarantor Liabilities, (iii) enforce Buyer's rights against any other guarantors of the Guarantor Liabilities, (iv) join Seller or others liable on the Guarantor Liabilities or any other Person in any action seeking to enforce this Guaranty, (v) mitigate damages, take any other action to reduce, collect or enforce the Guarantor Liabilities or to pursue or refrain from pursuing any right or remedy which might benefit Guarantor or (vi) resort to any other means of obtaining payment of the Guarantor Liabilities.

Section 2.04 **Validity of Guaranty**. The validity of this Guaranty, the obligations of Guarantor hereunder and Buyer's rights and remedies for the enforcement of the foregoing shall in no way be terminated, abated, reduced, released, modified, changed, compromised, discharged, diminished, affected, limited or impaired in any manner whatsoever by the happening from time to time of any occurrence, condition, circumstance, event, action or omission of any kind whatsoever, including, without limitation, any of the following (and Guarantor hereby waives any common law, equitable, statutory, constitutional, regulatory or other rights (including rights to notice), defenses (legal and equitable), set-off, counterclaims and claims which Guarantor might have now or hereafter as a result of or in connection with any of the following): (a) Buyer's assertion or non-assertion or election of any of the rights or remedies available to Buyer pursuant to the provisions of the Transaction Documents, the Purchased Loan Documents or pursuant to any Requirement of Law and the impairment or elimination of Guarantor's rights of subrogation, reimbursement, contribution or indemnity against Seller or any other Person; (b) the waiver by Buyer of, or the failure of Buyer to enforce, or the lack of diligence by Buyer in connection with, the enforcement of any of its rights or remedies under the Transaction Documents, the Purchased Loan Documents, the Purchased Loans or any collateral, security or property for the Guaranty or the Guarantor Liabilities; (c) the granting by Buyer of (or failure by Buyer to grant) any indulgence, forbearance, adjustment, compromise, consent, approval, waiver or extension of time; (d) the exercise by Buyer of or failure to exercise any so-called self-help remedies; (e) any occurrence, condition, circumstance event, action or omission that might in any manner or to any extent vary, alter, increase, extend or continue the risk to Guarantor or might otherwise operate as a discharge or release of Guarantor under Requirement

of Law; (f) any full or partial release or discharge of or accord and satisfaction with respect to liability for the Guarantor Liabilities, or any part thereof, of Seller, Guarantor or any other Person now or hereafter liable, whether directly or indirectly, jointly, severally, or jointly and severally, to pay, perform, guarantee or assure the payment of the Guarantor Liabilities, or any part thereof; (g) the impairment, modification, change, release, discharge, limitation of the liability or insolvency of Seller, Guarantor, any Underlying Obligor or any Person liable for or obligated on the Guarantor Liabilities, or any of their estates in bankruptcy resulting from or pursuant to the bankruptcy or insolvency of any of the foregoing or the application of the Insolvency Laws or of or any decision of any court of the United States or any state thereof or of any foreign jurisdiction or Seller or Guarantor ceasing to be liable for all or any portion of the Guarantor Liabilities other than in accordance with the Transaction Documents; (h) any present or future Requirement of Law or order of any Governmental Authority (*de jure* or *de facto*) purporting to reduce, amend or otherwise affect the Guarantor Liabilities or to vary any terms of payment, satisfaction or discharge thereof; (i) the waiver, compromise, settlement, release, extension, amendment, change, modification, substitution, replacement, reduction, increase, alteration, rearrangement, renewal or termination of the terms of the Guarantor Liabilities, the Transaction Documents, the Purchased Loans, any collateral, security or property for the Guaranty or the Guarantor Liabilities, the Purchased Loan Documents, any or all of the obligations, covenants or agreements of Seller, the Underlying Obligors or any other Person under the Transaction Documents or Purchased Loan Documents (except by satisfaction in full of all Guarantor Liabilities) or of any Guarantor under this Guaranty and/or any failure of Buyer to notify any Guarantor of any of the foregoing; (j) the extension of the time for satisfaction, discharge or payment of the Guarantor Liabilities or any part thereof owing or payable by Seller or any other Person under the Transaction Documents or of the time for performance of any other obligations, covenants or agreements under or arising out of this Guaranty or the extension or renewal of any thereof; (k) any existing or future offset, counterclaim, claim or defense (other than payment in full of the Guarantor Liabilities) of Seller or any other Person against Buyer or against payment of the Guarantor Liabilities, whether such offset, claim or defense arises in connection with the Guarantor Liabilities (or the transactions creating same) or otherwise; (l) the taking or acceptance or refusal to take or accept or the existence of any other guaranty of or collateral, security or property for the Guarantor Liabilities in favor of Buyer, any other Indemnified Parties or any other Person specified in the Transaction Documents or the enforcement or attempted enforcement of such other guaranty, collateral, security or property; (m) any sale, lease, sublease or transfer of or Lien on all or a portion of the assets or property of Seller or Guarantor, or any changes in the shareholders, partners or members of Seller or Guarantor, or any reorganization, consolidation or merger of Seller or Guarantor; (n) the invalidity, illegality, insufficiency or unenforceability of all or any part of the Guarantor Liabilities, the Transaction Documents, the Purchased Loans, any collateral, security or property for the Transaction Documents or the Guarantor Liabilities, the Purchased Loan Documents or any document or agreement executed in connection with the foregoing, for any reason whatsoever, including, without limitation, the fact that (1) the Guarantor Liabilities, or any part thereof, exceeds the amount permitted by Requirement of Law or violates usury laws or exceeds the Repurchase Obligations, (2) the act of creating the Guarantor Liabilities, the Purchased Loans, the Transaction Documents, any collateral, security or property for the Guaranty or the Guarantor Liabilities or any part of the foregoing is *ultra vires*, (3) the officers or representatives executing the Purchased Loan Documents or Transaction Documents or otherwise creating the Guarantor Liabilities, the Purchased Loans or any collateral, security or property for the Guaranty or the Guarantor Liabilities acted in

excess of their authority, (4) Seller, any Underlying Obligor or any other Person has valid defenses, claims or offsets (whether at law, in equity or by agreement) which render the Guarantor Liabilities wholly or partially uncollectible, (5) the creation, performance or repayment of the Guarantor Liabilities, the Purchased Loans or any collateral, security or property for the Guaranty or the Guarantor Liabilities (or the execution, delivery and performance of any Transaction Document, Purchased Loan Document or document or instrument representing part of the Guarantor Liabilities, the Purchase Loans any collateral, security or property for the Guaranty or the Guarantor Liabilities or executed in connection with the Guarantor Liabilities, the Purchased Loans or any collateral, security or property for the Guaranty or the Guarantor Liabilities, or given to secure the repayment of the Guarantor Liabilities or the other Purchased Loans) is illegal, uncollectible or unenforceable or (6) any Purchased Loan Document, any Transaction Document or any other document, agreement or instrument has been forged or otherwise is irregular or not genuine or authentic; (o) any release, waiver, termination, sale, pledge, participation, transfer, surrender, exchange, subordination, deterioration, waste, loss, diminution or impairment (including, without limitation, negligent, willful, unreasonable or unjustifiable impairment) of the Purchased Loans or any collateral, security or property at any time existing in connection with, or assuring or securing payment of, all or any part of the Guaranty or the Guarantor Liabilities; (p) the failure of Buyer or any other Person to exercise diligence or reasonable care in the preservation, protection, enforcement, sale or other handling or treatment of all or any part of the Purchased Loans or any other collateral, security or property for the Guaranty or the Guarantor Liabilities, including, but not limited to, any neglect, delay, omission, failure or refusal of Buyer (1) to take or prosecute any action for the collection of any of the Guarantor Liabilities, any Purchased Loan or any collateral, security or property for the Guaranty or the Guarantor Liabilities, (2) to foreclose, or initiate any action to foreclose, or, once commenced, prosecute to completion any action to foreclose, upon any Purchased Loan or any security, collateral or property for the Guaranty or Guarantor Liabilities or (3) to take or prosecute any action in connection with any instrument or agreement evidencing or securing all or any part of the Guarantor Liabilities; (q) the existence, value, or condition of the Purchased Loans or any collateral, security, property or Lien securing the Transaction Documents or the Guarantor Liabilities, or the fact that the Purchased Loans or any collateral, security, property or Lien contemplated or intended to be given, created or granted as security for the repayment of the Guaranty or the Guarantor Liabilities, or any part thereof, shall not be properly perfected or created, or shall prove to be unenforceable, invalid, insufficient, illegal or subordinate to any other Lien or Buyer's actions or omissions in respect to any of the foregoing; (r) any payment by Seller or any other Person to Buyer is held to constitute a preference under Insolvency Laws, or for any reason Buyer is required to refund such payment or pay such amount to such Seller or other Person; (s) any act which may accelerate the operation of any statute of limitations applicable to the Guarantor Liabilities or (t) any event or action that would, in the absence of this Section 2.04, result in the full or partial, legal or equitable, release, discharge, defense of guaranty or surety or relief of Guarantor from the performance or observance of any obligation, covenant or agreement contained in this Guaranty or any other agreement, in each case, whether or not such event or action increases the likelihood that Guarantor will be required to pay the Guarantor Liabilities pursuant to the terms hereof or thereof and whether or not such event or action prejudices Guarantor, it being the unambiguous and unequivocal intention of Guarantor that Guarantor shall be obligated to pay the Guarantor Liabilities when due, notwithstanding any occurrence, condition, circumstance, event, action or omission whatsoever, whether contemplated or uncontemplated, and whether or not otherwise or particularly

or expressly described herein, which obligation shall be deemed satisfied only upon the full and final indefeasible payment and satisfaction of the Guarantor Liabilities.

Section 2.05 **Primary Liability of the Guarantor**. Without limiting the foregoing provisions, Guarantor agrees that this Guaranty may be enforced by Buyer without the necessity at any time of resorting to or exhausting any other security or collateral and without the necessity at any time of having recourse to any of the Transaction Documents, the Purchased Loans or any collateral, security or property now or hereafter securing the Transaction Documents or the Guarantor Liabilities or otherwise, and Guarantor hereby waives the right to require Buyer to proceed against Seller, any Underlying Obligor or any other Person or to require Buyer to pursue any other remedy or enforce any other right. Guarantor further agrees that Guarantor shall have no right of subrogation, reimbursement or indemnity whatsoever against any Person, or any right of recourse to the Purchased Loans or any collateral, security or property for the Guaranty or the Guarantor Liabilities, so long as any such Guarantor Liabilities remain outstanding. Guarantor further agrees that nothing contained herein shall prevent Buyer from suing on the Repurchase Agreement or any of the other Transaction Documents or foreclosing (whether by judicial or non-judicial foreclosing or enforcement) its security interest in or Lien on any Purchased Loan or any collateral, security or property now or hereafter securing the Transaction Documents or the Guarantor Liabilities or from exercising any other rights or remedies available to it under Requirement of Law, the Repurchase Agreement or any of the other Transaction Documents or any other instrument of security if none of Seller or Guarantor timely perform the obligations of Seller or other Persons thereunder, and the exercise of any of the aforesaid rights and the completion of any foreclosure proceedings shall not constitute a discharge of Guarantor's obligations hereunder; it being the purpose and intent of Guarantor that Guarantor's obligations hereunder shall be absolute, independent and unconditional under any and all circumstances. Guarantor agrees that any release by Buyer of Seller or Guarantor or with respect to the Purchased Loans or any other collateral, security or property now or hereafter securing the Transaction Documents shall not release Guarantor or affect the Guarantor Liabilities. Guarantor further agrees that Buyer is under no obligation to marshal any property or assets of Seller or Guarantor in favor of Guarantor or against or in payment of the Guarantor Liabilities. Buyer may, at its sole option, determine which of such remedies or rights it may pursue without affecting any of such rights and remedies under this Guaranty. If, in the exercise of any of its rights and remedies, Buyer shall forfeit any of its rights or remedies, including its right to enter a deficiency judgment against any obligor for Guarantor Obligations, whether because of any Requirement of Law pertaining to "election of remedies" or otherwise, Guarantor hereby consents to such action by Buyer and waives any claim based upon such action, even if such action by Buyer shall result in a full or partial loss of any rights of subrogation which Guarantor might otherwise have had but for such action by Buyer. Any election of remedies which results in the denial or impairment of the right of Buyer to seek a deficiency judgment against any obligor for Guarantor Obligations shall not impair Guarantor's obligation to pay the full amount of the Guarantor Obligations. Guarantor recognizes, acknowledges and agrees that Guarantor may be required to pay the Guarantor Liabilities in full without assistance or support of any other party, and Guarantor has not been induced to enter into this Guaranty on the basis of a contemplation, belief, understanding or agreement that other parties will be liable to pay or perform the Guarantor Liabilities, or that Buyer will look to other parties to pay or perform the Guarantor Liabilities. Guarantor recognizes, acknowledges and agrees that it is not entering into this Guaranty in reliance on, or in contemplation of the benefits of, the

validity, enforceability, collectability or value of the Purchased Loans or any of the collateral, security or property for the Guaranty or the Guarantor Liabilities. Guarantor acknowledges and agrees that Buyer shall not be liable for any occurrence, condition, circumstance, event, action or omission waived by Guarantor or permitted under the terms of this Guaranty.

Section 2.06 **Remedies**. Guarantor agrees that in the event Guarantor fails to pay its obligations hereunder when due and payable under this Guaranty, Buyer shall be entitled to (a) any and all remedies available to it under this Guaranty, the other Transaction Documents and/or Requirement of Law, including, without limitation, all rights of set-off, subject to the terms set forth herein, (b) the benefit of all Liens heretofore, now and at any time or times hereafter granted by such Guarantor to Buyer, if any, to secure such Guarantor's obligations hereunder and (c) interest on the Guarantor Liabilities at the Default Rate.

Section 2.07 **Term of Guaranty**. This Guaranty shall continue in full force and effect until the Guarantor Liabilities are fully and indefeasibly paid, performed and discharged and the Transaction Documents are terminated. This Guaranty covers the Guarantor Liabilities whether presently outstanding or arising subsequent to the date hereof, including all amounts advanced by Buyer in stages or installments. Notwithstanding the foregoing, this Guaranty shall remain in full force and effect and continue to be effective, or be reinstated, as the case may be, and any payment of the Guarantor Liabilities hereunder shall be reinstated, revived and restored if at any time this Guaranty, the obligations of Guarantor under this Guaranty, payment and/or performance of all or any portion of the Guarantee Liabilities or any transfer by Guarantor to Buyer or any Indemnified Party in payment of all or any portion of the Guarantor Liabilities is rescinded, reduced in amount or is otherwise restored or returned by Buyer or any Indemnified Party (or Buyer or any Indemnified Party elects to do so on the advice of counsel) due to any of the foregoing being void or voidable under any Insolvency Law, including but not limited to, provisions of the Bankruptcy Code related to preferences, fraudulent conveyances, other voidable or recoverable payments of money or transfers of property or otherwise, or upon or in connection with an Act of Insolvency or Insolvency Proceeding with respect to, or the insolvency of, Seller, any co-Guarantor or any other Person obligated on or for the Guarantor Liabilities, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, or the assignment for the benefit of creditors by, Seller, any co-Guarantor or such other Person or any substantial part of such Seller's, any co-Guarantor's or such other Person's property or assets, or otherwise, all as though such payments, transfer, performance or otherwise had not been made or occurred; provided, however, (i) if all or any portion of any payment, performance, transfer or otherwise is rescinded, reduced, restored or returned, the Guarantor Liabilities shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned and (ii) all reasonable costs and expenses (including, without limitation, any reasonable legal fees and disbursements) incurred by Buyer or any Indemnified Parties in connection with any of the foregoing shall be deemed to be included as a part of the Guarantor Liabilities.

Section 2.08 **Survival**. The provisions of this Article 2 shall survive the termination of the Transaction Documents and the full and indefeasible payment, performance and discharge of the Guarantor Liabilities.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES

From the date hereof until the Guarantor Liabilities are fully and indefeasibly paid, performed and discharged and the Transaction Documents are terminated, Guarantor hereby represents, warrants and, as applicable, covenants, to Buyer as follows:

Section 3.01 **Guarantor**. Guarantor 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. Guarantor (a) has all requisite power, authority, legal right, 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 (i) own, lease and operate its properties and assets, (ii) conduct its business as presently conducted and (iii) execute, deliver and perform its obligations under the Transaction Documents to which it is a party, except with respect to licenses, franchises and qualification to do business in clauses (a) or (b) to the extent failure to obtain any such license, franchise or qualification would not have made a Material Adverse Effect. Guarantor's exact legal name is set forth in the preamble and signature pages of this Guaranty. The fiscal year of Guarantor is the calendar year.

Section 3.02 **Transaction Documents**. This Guaranty has been duly executed and delivered by Guarantor and constitutes the legal, valid and binding obligation of Guarantor enforceable against Guarantor 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 Guarantor of each Transaction 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 or material Indebtedness, Guarantee Obligation or Contractual Obligation applicable to Guarantor or any of its properties or assets, (ii) Requirement of Law in any material respect, or (iii) approval, consent, judgment, decree, order or demand of any Governmental Authority, or (b) result in the creation of any material Lien (other than Permitted Liens) on any of the properties or assets of Guarantor. All approvals, authorizations, consents, orders, filings, notices or other actions of any Person or Governmental Authority required for the execution, delivery and performance by Guarantor of the Transaction Documents to which it is a party have been obtained, effected, waived or given and are in full force and effect. Unless notice is given to Buyer from time to time, there is no material litigation, proceeding or investigation pending or, to the knowledge of Guarantor, threatened, against Guarantor before any Governmental Authority (a) asserting the invalidity of any Transaction Document, (b) seeking to prevent the consummation of the Transaction Documents, any of the transactions contemplated by the Transaction Documents or any Transaction, or (c) seeking any determination or ruling that could reasonably be expected to have a Material Adverse Effect.

Section 3.03 **Solvency**. Guarantor is not and has never been the subject of an Insolvency Proceeding. Guarantor is Solvent, and this Guaranty and the transactions contemplated under the terms of the Transaction Documents do not and will not render Guarantor not Solvent. Guarantor is not entering into any of the Transaction Documents to which it is a party with the intent to hinder, delay or defraud any creditor of Guarantor. Guarantor has received or will receive reasonably equivalent value for the Guarantor Liabilities, and the Guarantor Liabilities (a) will not render Guarantor not Solvent, (b) will not leave Guarantor with an unreasonably small amount of capital to conduct its business and (c) will not cause Guarantor to have incurred debts (or to have intended to have incurred debts) beyond its ability to pay such debts as they mature. Guarantor 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. Guarantor is generally able to pay, and as of the date hereof is paying, its debts as they come due.

Section 3.04 **Taxes**. Guarantor has filed all required federal income tax returns and all other material tax returns, domestic and foreign, required to be filed by them and have paid all material taxes (including mortgage recording taxes), assessments, fees, and other governmental charges payable by them, or with respect to any of their properties or assets, which have become due and payable, except taxes that are being contested in good faith by appropriate proceedings diligently conducted and for which appropriate reserves have been established in accordance with GAAP. Guarantor has paid, or has provided adequate reserves for the payment of, all such taxes for all prior fiscal years and for the current fiscal year to date. There is no material action, suit, proceeding, investigation, audit or claim relating to any such taxes now pending, or, to the knowledge of Guarantor, threatened, by any Governmental Authority which is not being contested in good faith as provided above. Guarantor has not entered into any agreement or waiver or been requested to enter into any agreement or waiver extending any statute of limitations relating to the payment or collection of taxes, or is aware of any circumstances that would cause the taxable years or other taxable periods of Guarantor not to be subject to the normally applicable statute of limitations. No tax Liens (other than Permitted Liens) have been filed against any property or assets of Guarantor. Guarantor does not intend to treat any Transaction as being a "reportable transaction" as defined in Treasury Regulation Section 1.6011-4. If Guarantor determines to take any action inconsistent with such intention, it will promptly notify Buyer, in which case Buyer may treat each Transaction as subject to Treasury Regulation Section 301.6112–1 and will maintain the lists and other records required thereunder.

Section 3.05 **Financial Condition**. The unaudited financial statements of Guarantor and its Consolidated Subsidiaries of the fiscal quarter most recently ended, copies of which have been delivered to Buyer or filed with the Securities and Exchange Commission and certified by a Responsible Officer of Guarantor, are complete and correct and present fairly the consolidated financial condition of Guarantor and its Consolidated Subsidiaries as of such date. Commencing with the fiscal year ending December 31, 2018, the audited consolidated balance sheet of Guarantor and its Consolidated Subsidiaries as at the fiscal year most recently ended for which such audited balance sheet is available, and the related audited consolidated statements of operations, stockholders' equity and 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 consolidated financial condition of Guarantor and its Consolidated Subsidiaries as of such date and the consolidated results of its operations and consolidated 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. Except for Hedging Transactions entered into in connection with Section 12(e) of the Repurchase Agreement, Guarantor does not have any 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 reflected in the foregoing statements or notes. Since the date of the financial statements and other information most recently delivered to Buyer or filed with the Securities and Exchange Commission, Guarantor has not sold, transferred or otherwise disposed of any material part of its property or assets (except pursuant to the Transaction Documents) or acquired any property or assets (including Equity Interests of any other Person) that are material in relation to the consolidated financial condition of Guarantor.

Section 3.06 **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 any Guarantor to Buyer in connection with the Transaction Documents and the Transactions, when taken as a whole, do not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements herein or therein, in light of the circumstances under which they were made, not misleading. All written information furnished after the date hereof by or on behalf of any Guarantor to Buyer in connection with the Transaction Documents and the Transactions will be true, correct and complete in all material respects, or in the case of projections will be based on reasonable estimates prepared and presented in good faith, on the date as of which such information is stated or certified.

Section 3.07 **Compliance with Laws**. Guarantor has complied in all material respects with all Requirement of Law. Neither Guarantor nor any Affiliate of Guarantor (a) is an "enemy" or an "ally of the enemy" as defined in the Trading with the Enemy Act, (b) is in violation of any Anti-Terrorism Laws, (c) is a blocked person described in Section 1 of Executive Order 13224 or to its knowledge engages in any dealings or transactions or is otherwise associated with any such blocked person, (d) is in violation of any country or list based economic and trade sanction administered and enforced by the Office of Foreign Assets Control, (e) is a Sanctioned Entity, (f) has more than 10% of its assets located in Sanctioned Entities or (g) derives more than 10% of its operating income from investments in or transactions with Sanctioned Entities. The proceeds of any Transaction have not been and will not be used to fund any operations in, finance any investments or activities in or make any payments to a Sanctioned Entity. Neither Guarantor nor Seller (a) is, or is controlled by, an "investment company" as defined in the Investment Company Act, or is required to register as an "investment company" under the Investment Company Act, (b) is a "broker" or "dealer" as defined in, or could be subject to a liquidation proceeding under, the Securities Investor Protection Act of 1970 or (c) is subject to regulation by any Governmental Authority limiting its ability to incur the Repurchase Obligations or Guarantor Liabilities, as applicable. Guarantor and all Affiliates of Guarantor are in compliance with the Foreign Corrupt Practices Act and any foreign counterpart thereto. Guarantor has not made, offered, promised or authorized a payment of money or anything else of value (a) in order to assist in obtaining or retaining business for or with, or

directing business to, any foreign official, foreign political party, party official or candidate for foreign political office, (b) to any foreign official, foreign political party, party official or candidate for foreign political office, or (c) with the intent to induce the recipient to misuse his or her official position to direct business wrongfully to Guarantor, any other Repurchase Party or any other Person, in violation of the Foreign Corrupt Practices Act.

Section 3.08 **Compliance with ERISA**. With respect to Guarantor or any Commonly Controlled Entity, during the immediately preceding five (5) year period, (a) neither a Reportable Event nor an "accumulated funding deficiency" nor "an unpaid minimum required contribution" as defined in the Code or ERISA has occurred, (b) each Plan has complied in all material respects with the applicable provisions of the Code and ERISA, (c) no termination of a Single Employer Plan has occurred resulting in any liability that has remained underfunded, and (d) no Lien in favor of the PBGC or a Plan has arisen. The present value of all accumulated benefit obligations under each Single Employer Plan (based on the assumptions used for the purposes of Financial Accounting Statement Bulletin 87) relating to Guarantor or any Commonly Controlled Entity did not, as of the last annual valuation date prior to the date hereof, exceed the value of the assets of such Plan allocable to such accumulated benefit obligations. Neither Guarantor, nor any Affiliate of Guarantor is currently subject to any liability for a complete or partial withdrawal from a Multiemployer Plan. Guarantor does not provide any medical or health benefits to former employees other than as required by the Consolidated Omnibus Budget Reconciliation Act, as amended, or similar state or local law at no cost to the employer. None of the assets of Guarantor are deemed to be plan assets within the meaning of 29 C.F.R. 2510.3-101 as modified by Section 3(42) of ERISA.

Section 3.09 **No Default**. No Default or Event of Default exists. No Internal Control Event has occurred.

Section 3.10 **No Broker**. Neither Guarantor nor Seller has dealt with any broker, investment banker, agent or other Person, except for Buyer or an Affiliate of Buyer, who may be entitled to any commission or compensation in connection with any transaction under the Transaction Documents.

Section 3.11 **Financial Covenants**. Guarantor and Seller are in compliance with the financial covenants set forth in the Transaction Documents applicable to each.

Section 3.12 **Knowledge of Guarantor**. Guarantor further represents and warrants to Buyer that it has read and understands the terms of the Transaction Documents and is familiar with and has independent knowledge of, and has reviewed the books and records regarding, Seller's and any other Guarantor's financial condition and affairs, the value of the Purchased Loans and the circumstances bearing on the risk of nonpayment or nonperformance of the Guarantor Liabilities and represents and agrees that it will keep so informed while this Guaranty is in force; provided, however, Guarantor acknowledges and agrees that it is not relying on such financial condition or collateral as an inducement to enter into this Guaranty. Guarantor agrees that Buyer shall have no obligation to investigate the financial condition or affairs of Seller or Guarantor for the benefit of Guarantor or to advise Guarantor of any matter relating to or arising under the Repurchase Agreement or any of the other Transaction Documents or any fact respecting, or any change in, the financial condition or affairs of Seller that might come to the knowledge of Buyer at any time, whether or

not Buyer or any Guarantor knows or believes or has reason to know or believe that any such fact or change is unknown to Guarantor or might (or does) materially increase the risk of Guarantor as guarantor or might (or would) affect the willingness of Guarantor to continue as guarantor with respect to the Guarantor Liabilities.

Section 3.13 **Compliance with Transaction Documents**. Guarantor (i) has delivered to Buyer all financial statements, certifications and other information and documents required to be delivered by Guarantor under the Repurchase Agreement and any other Transaction Document and such other financial information as Buyer may from time to time reasonably require and that such financial statements and other information shall be true and correct in all material respects and fairly represent in all material respects the financial condition of such Guarantor and its Subsidiaries on the date of delivery, (ii) has not sold, assigned, transferred or otherwise conveyed, in a single transaction or in a series of transactions, any material asset or portion of a material asset which would (A) result in a Material Adverse Effect or (B) violate the Transaction Documents, (iii) has caused Seller to comply with each and every agreement, obligation, duty and covenant under the Transaction Documents and, to the extent Seller does not fulfill its agreements, obligations, duties and covenants under the Transaction Documents, Guarantor shall fulfill the same and (iv) has performed each and every agreement, obligation, duty and covenant under any Transaction Document that Seller covenants to cause Guarantor to do or not to do.

ARTICLE 4

COVENANTS

From the date hereof until the Guarantor Liabilities are fully and indefeasibly paid, performed and discharged and the Transaction Documents are terminated, Guarantor shall perform and observe the following covenants, which shall (a) 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), and (b) also apply to all Subsidiaries of Guarantor:

Section 4.01 **Existence; Governing Documents; Conduct of Business**. Guarantor 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 and (d) not modify or amend, in a manner which would have a Material Adverse Effect, or terminate its Governing Documents without Buyer's prior written consent (such consent not to be unreasonably withheld). Guarantor shall (a) continue to engage in the same general lines of business as presently conducted by it and (b) maintain and preserve all of its material rights, privileges, licenses and franchises necessary for the operation of its business.

Section 4.02 **Compliance with Laws, Contractual Obligations and Transaction Documents**. Guarantor shall comply in all material respects with all Requirement of Law, including those relating to the reporting and payment of taxes owed by it, and all of its Indebtedness, Contractual Obligations, Guarantee Obligations and Investments. 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.

Section 4.03 **Structural Changes**. Guarantor shall not enter into any merger or consolidation, or liquidate, wind up or dissolve, or sell all or substantially all of its assets or properties, without Buyer's prior written consent, except that so long as no Event of Default exists or would result therefrom, Guarantor may merge into or consolidate with another Person so long as (a) such merger or consolidation would not result in a Change of Control, (b) the continuing or surviving Person is the Guarantor and, (c) immediately following the merger or consolidation, the majority of the members of the board of directors (or the applicable equivalent) of the continuing or surviving Person are the same as the majority of the members of the board of directors (or applicable equivalent) of the Guarantor immediately prior to such merger or consolidation. Guarantor shall not sell, assign, transfer or otherwise convey, in a single transaction or in a series of transactions, any material asset or portion of a material asset which would (a) result in a Material Adverse Effect, (b) result in a Change of Control of Seller or (c) violate the Transaction Documents. Guarantor 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. Without Buyer's prior written consent, Guarantor shall not enter into any transaction or series of transactions, whether or not in the ordinary course of business, with an Affiliate, officer, director, shareholder, member or partner of Guarantor unless such transaction is on market and arm's-length terms and conditions.

Section 4.04 **Actions of Guarantor Relating to Distributions, Indebtedness, Guarantee Obligations, Contractual Obligations and Liens**. Guarantor 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 Guarantor or any Affiliate of Guarantor, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of Guarantor or any Affiliate of Guarantor; provided, that Guarantor may declare and pay any dividends or make distributions in accordance with its Governing Documents or make a 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 Guarantor or any Affiliate of Guarantor, to the extent permitted by its Governing Documents, so long as no Event of Default exists or would exist as a result thereof or to the extent required by Requirement of Law to maintain its REIT status. Guarantor shall not (a) contract, create, incur, assume, grant or permit to exist any Lien on or with respect to the Purchased Loans or any other collateral pledged under the Transaction Documents of any kind, except for Permitted Liens, or (b) except as provided in the preceding clause (a), grant, allow or enter into any agreement or arrangement with any Person that prohibits or restricts or purports to prohibit or restrict the granting of any Lien on any of the foregoing.

Section 4.05 **Delivery of Income**. To the extent Guarantor or any Affiliate of Guarantor receives any Income directly, Guarantor or such Affiliate of Guarantor shall deposit such amounts into the Cash Management Account within one (1) Business Day of receipt thereof. If any Income is received by Guarantor or any Affiliate of Guarantor, Guarantor shall hold such Income in trust for Buyer, segregated from other funds of Guarantor, until delivered to the Cash Management Account in accordance with the terms hereof and of the Transaction Documents. Neither Guarantor nor any Affiliate of Guarantor shall deposit or cause to be deposited to the Cash Management Account cash or cash proceeds other than Income or other payments required to be deposited therein under the Transaction Documents.

Section 4.06 **Delivery of Financial Statements and Other Information**. Guarantor shall deliver or cause to be delivered the following to Buyer, as soon as available and in any event within the time periods specified:

(a) within ninety (90) days after the end of each fiscal year of Guarantor, a consolidated balance sheet of Guarantor and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations, changes in shareholders' equity, and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, audited and accompanied by a report and opinion of an independent certified public accountant of nationally recognized standing reasonably acceptable to the Administrative Agent, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit; and

(b) within forty-five (45) days after the end of each of the first three fiscal quarters of each fiscal year of Guarantor, a balance sheet of Guarantor and its Subsidiaries as at the end of such fiscal quarter, the related consolidated statements of income or operations for such fiscal quarter and for the portion of Guarantor's fiscal year then ended, and the related consolidated statements of changes in shareholders' equity, and cash flows for the portion of Guarantor's fiscal year then ended, in each case setting forth in comparative form, as applicable, the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail, certified by the chief executive officer, chief financial officer, treasurer or controller of Guarantor as fairly presenting the financial condition, results of operations, shareholders' equity and cash flows of Guarantor and its Subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes.

Documents required to be delivered pursuant to the foregoing may be delivered by electronic communication (including email or otherwise) and if so delivered, shall be deemed to have been delivered on the date (i) on which the applicable party transmits such documents via email, (ii) on which the applicable party posts such documents, or provides a link thereto, on the applicable party's website on the Internet at the website address listed on Schedule I to the Third Amendment to Master Repurchase Agreement (which website address may be updated by Seller by notice to Buyer), or (iii) on which such documents are posted on the applicable party's behalf on an Internet or intranet

website, if any, to which Buyer has access (whether a commercial, third-party website or whether sponsored by Buyer).

Section 4.07 Delivery of Notices. Guarantor shall promptly notify Buyer of the occurrence of any of the following of which Guarantor has knowledge (in each case to the extent Seller has not already provided notice of same to Buyer), together with a certificate of a Responsible Officer of Guarantor setting forth details of such occurrence and any action Guarantor has taken or proposes to take with respect thereto:

(a) with respect to Guarantor, any material violation of Requirement of Law, a material decline in the value of Guarantor's assets or properties, an Internal Control Event or any other event or circumstance that could reasonably be expected to have a Material Adverse Effect;

(b) the existence of any Default or Event of Default;

(c) in the event of a margin call (however defined or described in the applicable underlying Indebtedness documents) or other similar event occurs pursuant to which a lender or buyer requires any of Guarantor or any Affiliate of Seller or any Guarantor pursuant to another facility to post additional cash or assets in connection with any Indebtedness and the amount of any such margin call or other similar request made or outstanding on such day or the five (5) Business Day period in which such day occurs is equal to or greater than $2,000,000, Guarantor shall promptly (and in no event later than two (2) Business Days after any such margin call or request) provide Buyer notice of any such margin call(s) or request(s) which details (i) the amount of such margin call(s), (ii) the time period for such margin call(s) to be satisfied, (iii) whether cash or other assets were used to satisfy the margin call(s), (iv) the name of the counterparty and (v) any other information reasonably requested by Buyer with respect thereto;

(d) the establishment of a rating by any Rating Agency applicable to Guarantor or any Affiliate of Guarantor and any downgrade in or withdrawal of such rating once established; and

(e) the commencement of, settlement of or material judgment in any litigation, action, suit, arbitration, investigation or other legal or arbitral proceedings before any Governmental Authority that (i) affects Guarantor, (ii) questions or challenges the validity or enforceability of this Guaranty or (iii) individually or in the aggregate, if adversely determined, could reasonably be expected to have a Material Adverse Effect.

Section 4.08 Acknowledgement. Guarantor acknowledges and agrees with the statements set forth in Section 23 of the Repurchase Agreement and agrees not to take any action or position which is inconsistent with such statements. Guarantor further acknowledges the disclosures set forth in Section 24 of the Repurchase Agreement.

Section 4.09 Compliance with Transaction Documents; Due Diligence. Guarantor shall cause Seller to comply with each and every agreement, obligation, duty and covenant under the Transaction Documents. Guarantor shall keep informed of Seller's financial condition, the performance of the Purchased Loans, the financial condition of Guarantor and all circumstances which bear on the risk nonpayment or nonperformance of the Guarantor Liabilities.

Section 4.10 **Financial Covenants**. Guarantor shall at all times satisfy the following financial covenants, as determined quarterly following the end of each fiscal quarter of Guarantor on a consolidated basis in accordance with GAAP, consistently applied:

a) Minimum Liquidity. Liquidity at any time shall not be less than the lower of (i) Fifty Million Dollars ($50,000,000.00) and (ii) the greater of (A) Ten Million Dollars ($10,000,000.00) and (B) five percent (5%) of Guarantor's Recourse Indebtedness;

b) Minimum Consolidated Tangible Net Worth. Consolidated Tangible Net Worth at any time shall not be less than the sum of (i) $2,142,000,000.00, and (ii) seventy-five percent (75%) of the net cash proceeds thereafter received by the Guarantor (x) from any offering by the Guarantor of its common equity and (y) from any offering by the Sponsor of its common equity to the extent such net cash proceeds are contributed to the Guarantor, excluding any such net cash proceeds that are contributed to the Guarantor within ninety (90) days of receipt of such net cash proceeds and applied to purchase, redeem or otherwise acquire Capital Stock issued by the Guarantor (or any direct or indirect parent thereof);

c) Maximum Consolidated Leverage Ratio. The Consolidated Leverage Ratio at any time may not exceed 0.75 to 1.00; and

d) Minimum Interest Coverage Ratio. As of any date of determination, the ratio of (i) Consolidated EBITDA for the period of twelve (12) consecutive months ended on such date (if such date is the last day of a fiscal quarter) or the fiscal quarter most recently ended prior to such date (if such date is not the last day of a fiscal quarter) to (ii) Consolidated Interest Expense for such period shall not be less than 1.40 to 1.00.

ARTICLE 5

EXPENSES

Section 5.01 **Expenses**. Guarantor shall promptly on demand pay to, or as directed by, Buyer all third-party out-of-pocket costs and expenses (including reasonable 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, this Guaranty and the other Transaction Documents and the (b) the enforcement of and the exercise of remedies with respect to the Transaction Documents or this Guaranty or the payment or performance of the Repurchase Obligations or any Guarantor Liabilities, and such expenses shall be included in the Guarantor Liabilities. This Section 5.01 shall survive the termination of the Transaction Documents and the full and indefeasible payment, performance and discharge of the Guarantor Liabilities.

ARTICLE 6

MISCELLANEOUS PROVISIONS

Section 6.01 **Governing Law**. This Guaranty and any claim, controversy or dispute arising under or related to or in connection with this Guaranty, the relationship of the parties and/or the interpretation and enforcement of the rights and duties of the parties will be governed by the laws of the State of New York, without regard to any conflicts of law principles other than Section 5-1401 of the New York General Obligations Law.

Section 6.02 **Submission to Jurisdiction; Service of Process**. Guarantor 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 Transaction Documents, or for recognition or enforcement of any judgment, and Guarantor 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 Requirement of Law, in such federal court. Guarantor 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 Requirement of Law. Nothing in this Guaranty or the other Transaction Documents shall affect any right that Buyer or any Indemnified Party may otherwise have to bring any action or proceeding arising out of or relating to the Transaction Documents against Guarantor or its properties in the courts of any jurisdiction. Guarantor irrevocably and unconditionally waives, to the fullest extent permitted by Requirement 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 Transaction 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. Guarantor irrevocably consents to service of process in the manner provided for notices in Section 6.11. Nothing in this Guaranty will affect the right of any party hereto to serve process in any other manner permitted by Requirement of Law.

Section 6.03 **IMPORTANT WAIVERS.**

(a) GUARANTOR 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 PARTY.

(b) TO THE EXTENT PERMITTED BY REQUIREMENT OF LAW, GUARANTOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE BETWEEN IT AND BUYER OR ANY INDEMNIFIED PARTY, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, ARISING OUT OF, CONNECTED WITH OR RELATED TO THE TRANSACTION DOCUMENTS, THE PURCHASED LOANS, THE TRANSACTIONS, ANY DEALINGS OR COURSE OF CONDUCT BETWEEN IT AND BUYER OR ANY INDEMNIFIED PARTY, OR ANY STATEMENTS (WRITTEN OR ORAL) OR OTHER

ACTIONS OF EITHER PARTY OR ANY INDEMNIFIED PARTY. GUARANTOR WILL NOT 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, GUARANTOR AND BUYER EACH HEREBY WAIVES ANY RIGHT TO CLAIM OR RECOVER IN ANY LITIGATION WHATSOEVER INVOLVING ANY INDEMNIFIED PARTY, 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 PARTY TO ANY OF THE TRANSACTION DOCUMENTS NOR ANY INDEMNIFIED 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 TRANSACTION DOCUMENT OR THE TRANSACTIONS.

(d) GUARANTOR CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF BUYER OR AN INDEMNIFIED PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT BUYER OR AN INDEMNIFIED PARTY WOULD NOT SEEK TO ENFORCE ANY OF THE WAIVERS IN THIS SECTION 6.03 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 TRANSACTION DOCUMENTS, REGARDLESS OF THEIR LEGAL THEORY.

(e) GUARANTOR ACKNOWLEDGES THAT THE WAIVERS IN THIS SECTION 6.03 ARE A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT BUYER HAS ALREADY RELIED ON SUCH WAIVERS IN ENTERING INTO THE TRANSACTION DOCUMENTS, AND THAT BUYER WILL CONTINUE TO RELY ON SUCH WAIVERS IN ITS RELATED FUTURE DEALINGS UNDER THE TRANSACTION DOCUMENTS. GUARANTOR 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 6.03 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 TRANSACTION 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 6.03 SHALL SURVIVE TERMINATION OF THE TRANSACTION DOCUMENTS AND THE FULL AND INDEFEASIBLE PAYMENT, PERFORMANCE AND DISCHARGE OF THE GUARANTOR LIABILITIES.

Section 6.04 Integration. The Transaction Documents supersede and integrate all previous negotiations, contracts, agreements and understandings (whether written or oral) between the Persons party thereto relating to a sale and repurchase of Purchased Loans, Guarantor's guaranty of the Guarantor Liabilities and the other matters addressed by the Transaction Documents, and contain the entire final agreement of the Persons party thereto relating to the subject matter thereof.

Section 6.05 Survival and Benefit of Guarantor's Agreements. This Guaranty shall be binding on and shall inure to the benefit of Buyer, Guarantor and their successors and permitted assigns. All of Guarantor's indemnities in this Guaranty, and all other provisions in this Guaranty that, by their terms, expressly survive termination of the Transaction Documents, shall survive the termination of the Transaction Documents and the full and indefeasible payment, performance and discharge of the Guarantor Liabilities and the Repurchase Obligations, and shall apply to and benefit all Indemnified Parties, Buyer and its successors and assigns. No other Person shall be entitled to any benefit, right, power, remedy or claim under this Guaranty.

Section 6.06 Cumulative Rights. All rights of Buyer hereunder or otherwise arising under the Transaction Documents or any documents executed in connection with or as security for the Guarantor Liabilities or under Requirement of Law are separate and cumulative and may be pursued separately, successively or concurrently, or not pursued, without affecting, limiting or impairing any other right of Buyer and without limiting, affecting or impairing the liability of Guarantor.

Section 6.07 Usury. Notwithstanding any other provision contained herein to the contrary, no provision of this Guaranty shall require or permit the collection from Guarantor of interest in excess of the maximum rate or amount that Guarantor may be required or permitted to pay pursuant to any Requirement of Law. In the event any such interest is collected, it shall be applied in reduction of Guarantor's obligations hereunder, and the remainder of such excess collected shall be returned to Guarantor once such obligations have been fully satisfied.

Section 6.08 Assignments.

(a) Guarantor shall not sell, assign, delegate or transfer any of its rights, Guarantor Liabilities or any other duties or obligations under this Guaranty or the other Transaction Documents without the prior written consent of Buyer (which may be granted or withheld in its discretion), and any attempt by Guarantor to do so without such consent shall be null and void.

(b) Buyer may at any time sell, assign, delegate or transfer any of its rights and/or obligations under this Guaranty and/or the Guarantor Liabilities subject to the terms and conditions of Section 19 of the Repurchase Agreement.

(c) Guarantor shall cooperate with Buyer in connection with any such sale and assignment of participations or assignments and shall enter into such restatements of, and amendments, supplements and other modifications to, this Guaranty to give effect to any such sale or assignment; provided, that none of the foregoing shall change any economic or other material term of this Guaranty in a manner adverse to Guarantor without the consent of Guarantor in its commercially reasonable discretion.

Section 6.09 Confidentiality. All information regarding the terms set forth in any of the Transaction Documents shall be kept confidential and shall not be disclosed by Guarantor to any Person except (a) to the Affiliates of Guarantor or its or their respective directors, officers, employees, agents, advisors, attorneys and other representatives who are informed of the confidential nature of such information and instructed to keep it confidential, (b) to the extent requested by any regulatory authority or required by Requirement of Law, (c) to the extent required to be included in the financial statements of Guarantor or an Affiliate thereof, (d) to the extent required to exercise any rights or remedies under the Transaction Documents, the Purchased Loans, the Purchased Loan Documents or Mortgaged Properties, (e) to the extent required to consummate and administer a Transaction, (f) to the extent required in connection with any litigation between the parties in connection with any Transaction Document or (g) to any actual or prospective participant, assignee, pledge transferee or any counterparty to any Hedge Transaction which agrees to comply with this Section 6.09; provided, that no such disclosure made with respect to any Transaction Document shall include a copy of such Transaction Document to the extent a summary would suffice, and any such disclosure shall redact all pricing and other economic terms set forth therein to the extent such disclosure can be satisfied by a redacted copy of such Transaction Document. Notwithstanding anything to the contrary contained herein or in any Transaction Document, Guarantor and any Affiliate of Guarantor shall be entitled to disclose any and all terms of any Transaction Document (including the public filing thereof) if the Guarantor, in its sole discretion, deems it necessary or appropriate under the rules or regulations of the Securities and Exchange Commission and/or the New York Stock Exchange.

Section 6.11 No Implied Waivers; Amendments. No failure on the part of Buyer to exercise, or delay in exercising, any right or remedy under the Transaction 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 Transaction Documents are cumulative and not exclusive of any rights and remedies provided by Requirement of 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 Transaction Documents, no amendment, waiver or other modification of any provision of this Guaranty shall be effective without the signed agreement of Guarantor and Buyer. Any waiver or consent under the Transaction 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 6.12 Notices and Other Communications. Unless otherwise provided in this Guaranty, 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 set forth below 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 on a Business Day (or if not a Business Day, on the next Business Day thereafter). A party receiving a notice that does not comply with the technical requirements of this Section 6.12 may elect to waive any deficiencies and treat the notice as having been properly given.

If to Guarantor:

Credit RE Operating Company, LLC
c/o Colony NorthStar, Inc.
590 Madison Avenue, 34th Floor
New York, New York 10022
Attn: David A. Palamé
Tel: (212) 230-3325
Fax: (646) 837-5323
Email: dpalame@clns.com

with a copy to:

Ropes & Gray LLP
1211 Avenue of the Americas
New York, New York 10036
Attn: Daniel L. Stanco, Esq.
Tel: (212)841-5758
Fax: (646) 728-1677
Email: Daniel.Stanco@ropesgray.com

If to Buyer:

Citibank, N.A.
388 Greenwich Street
New York, New York 10013
Attention: Richard Schlenger
Email:Richard.schlenger@citi.com
Tel: (212) 816-7806
Fax: (212) 816-8307

with a copy to:

Sidley Austin LLP
787 Seventh Avenue
New York, New York 10019
Attention: Brian Krisberg, Esq.
Email: bkrisberg@sidley.com
Tel: (212) 839-8735
Fax: (212) 839-5599

Section 6.13 Counterparts; Electronic Transmission. This Guaranty may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall together constitute but one and the same instrument. Guarantor agrees that this Guaranty, any documents to be delivered pursuant to this Guaranty, any other Transaction Document and any notices hereunder may be transmitted between them by email and/or facsimile. Guarantor intends that faxed signatures and electronically imaged signatures such as PDF files shall constitute original signatures and are binding on Guarantor.

Section 6.14 No Personal Liability. No administrator, incorporator, Affiliate, owner, member, partner, stockholder, officer, director, employee, agent or attorney of Guarantor, Buyer or any Indemnified Party, as such, shall be subject to any recourse or personal liability under or with respect to any obligation of Buyer or Guarantor under the Transaction 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 Guarantor under the Transaction 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 6.14 shall survive the termination of the Transaction Documents and the full and indefeasible payment, performance and discharge of the Guarantor Liabilities.

Section 6.15 Buyer's Waiver of Set-off. Buyer, solely in its capacity as Buyer under the Transaction Documents, hereby waives any right of set-off it may have or to which it may be or become entitled under the Transaction Documents or, solely to the extent related to the Transaction Documents, Requirement of Law, against Guarantor.

Section 6.16 Guarantor's Waiver of Set-off. Guarantor hereby waives any right of set-off it may have or to which it may be or become entitled under the Transaction Documents, Requirement of Law or otherwise against Buyer, any Affiliate of Buyer, any Indemnified Party or their respective assets or properties.

Section 6.17 Periodic Due Diligence Review. Buyer may perform continuing due diligence reviews with respect to Guarantor and any Affiliates of Guarantor, 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 Transaction Documents or otherwise. Upon reasonable prior notice to Guarantor, unless a Default or Event of Default exists, in which case no notice is required, Buyer or its representatives may during normal business hours inspect any properties and examine, inspect and make copies of the books and records of Guarantor and any Affiliates of Guarantor, the Purchased Loan Documents and the Servicing Records. Guarantor shall make available to Buyer one or more knowledgeable

financial or accounting officers and representatives of the independent certified public accountants of Seller and Guarantor for the purpose of answering questions of Buyer concerning any of the foregoing. Guarantor shall pay all costs and expenses (including legal fees and expenses) incurred by Buyer in connection with Buyer's activities pursuant to this Section 6.17, subject to the terms and conditions set forth in Section 27 of the Repurchase Agreement.

Section 6.18 Time of the Essence. Time is of the essence with respect to all obligations, duties, covenants, agreements, notices or actions or inactions of Guarantor under the Transaction Documents.

Section 6.19 Severability. Each provision of this Guaranty shall be valid, binding and enforceable to the fullest extent permitted by Requirement of Law. In case any provision in or obligation, duty, covenant or agreement under this Guaranty or the other Transaction Documents shall be invalid, illegal or unenforceable in any jurisdiction (either in its entirety or as applied to any Person, fact, circumstance, action or inaction), the validity, legality and enforceability of the remaining provisions, obligations, duties, covenants and agreements, or of such provision, obligation, duty, covenant or agreement in any other jurisdiction or as applied to any Person, fact, circumstance, action or inaction, shall not in any way be affected or impaired thereby.

Section 6.20 Headings; Exhibits. The headings herein are for purposes of references only and shall not otherwise affect the meaning or interpretation of any provision hereof. The schedules, exhibits and annexes (if any) attached hereto and referred to herein shall constitute a part of this Guaranty and are incorporated into this Guaranty for all purposes.

Section 6.21 Recitals. The recital and introductory paragraphs hereof are a part hereof, form a basis for this Guaranty and shall be considered *prima facie* evidence of the facts and documents referred to therein.

Section 6.22 Additional Liability of Guarantor. If Guarantor is or becomes liable for any Indebtedness owing by Seller to Buyer by endorsement or otherwise than under this Guaranty, such liability shall not be in any manner impaired or reduced hereby but shall have all and the same force and effect it would have had if this Guaranty had not existed and such Guarantor's liability hereunder shall not be in any manner impaired or reduced thereby.

Section 6.23 Bankruptcy Code Waiver. In the event that Seller becomes a debtor in any proceeding under the Bankruptcy Code, Guarantor shall not be deemed to be a "creditor" (as defined in Section 101 of the Bankruptcy Code) of Seller, by reason of the existence of this Guaranty, and in connection herewith, Guarantor hereby waives any such right as a "creditor" under the Bankruptcy Code. This waiver is given to induce Buyer to enter into the transactions contemplated by the Transaction Documents. After the Guarantor Liabilities are fully and indefeasibly paid, performed and discharged, there shall be no obligations or liabilities under this Guaranty outstanding and the Transaction Documents are terminated, this waiver shall be deemed to be terminated.

Section 6.24 Action by Affiliates. No encumbrance, assignment, leasing, subletting, sale or other transfer by Seller or any Affiliate of the foregoing of any of Seller's or any Affiliate of the foregoing's assets or property shall operate to extinguish or diminish the liability of Guarantor under this Guaranty.

Section 6.25 Subordination.

(a) As used in this Guaranty, the term "Guarantor Claims" shall mean all debts, liabilities and other Indebtedness of Seller or any other Repurchase Party to Guarantor, whether such debts, liabilities and other Indebtedness now exist or are hereafter incurred or arise, or whether the obligations of such Seller or Guarantor thereon be direct, contingent, primary, secondary, joint, several, joint and several, or otherwise, and irrespective of whether such debts, liabilities or other Indebtedness be evidenced by note, contract, open account or otherwise, and irrespective of the Person or Persons in whose favor such debts, liabilities or other Indebtedness may, at their inception, have been, or may hereafter be created, or the manner in which they have been or may hereafter be acquired by Guarantor. Guarantor Claims shall include, without limitation, all rights and claims of Guarantor against Seller (arising as a result of subrogation or otherwise) as a result of Guarantor's payment of all or a portion of the Guarantor Liabilities. All Guarantor Claims are and shall be subordinate to the Guarantor Liabilities.

(b) In the event of any Insolvency Proceedings involving Guarantor as debtor, Buyer shall have the right to prove its claim in any such proceeding so as to establish its rights hereunder and receive directly from the receiver, trustee or other court custodian distributions and any payments which would otherwise be payable upon Guarantor Claims to the extent of any sums owed by Guarantor hereunder. Guarantor hereby assigns such distributions and payments to Buyer. Should Buyer receive, for application upon the Guarantor Liabilities, any such distribution or payment which is otherwise payable to Guarantor, and which, as between Seller on the one hand and Guarantor on the other, shall constitute a credit upon Guarantor Claims, then upon payment to Buyer in full of the Repurchase Obligations, Guarantor shall become subrogated to the rights of Buyer to the extent that such payments to Buyer on Guarantor Claims have contributed toward the liquidation of the Repurchase Obligations, and such subrogation shall be with respect to that proportion of the Repurchase Obligations which would have been unpaid if Buyer had not received distributions or payments upon Guarantor Claims.

(c) In the event that, notwithstanding anything to the contrary in this Guaranty, Guarantor should receive any funds, payment, claim or distribution which is prohibited by this Guaranty, Guarantor agrees to hold in trust for Buyer an amount equal to the amount of all funds, payments, claims or distributions so received, and agrees that it shall have absolutely no dominion over the amount of such funds, payments, claims or distributions so received except to pay them promptly to Buyer, and Guarantor covenants promptly to pay the same to Buyer.

(d) Guarantor agrees that any claims, charges or Liens against Seller or Guarantor and/or Seller's or Guarantor's assets and property with respect to Guarantor Claims shall be and remain inferior and subordinate to any claims, charges or Liens of Buyer against Seller or Guarantor and/or Seller's or Guarantor's assets and property, regardless of whether such claims, charges or Liens in favor of Guarantor or Buyer presently exist or are hereafter created or attach. Without Buyer's

prior written consent (which may be granted or withheld in its discretion), Guarantor shall not (i) exercise or enforce any creditor's right it may have against Seller, or (ii) foreclose, repossess, sequester or otherwise take steps or institute any action or proceedings (judicial or otherwise, including, without limitation, the commencement of, or joinder in, any Insolvency Proceeding) to enforce any claims, charges, Liens, mortgage, deeds of trust, security interests, collateral rights, judgments or other encumbrances against Seller or the assets or property of Seller held by Guarantor.

Section 6.26 Commercial Transaction. To induce Buyer to accept this Guaranty and enter into the transactions evidenced by and secured by the Transaction Documents, Guarantor agrees that said transactions are commercial and not consumer transactions.

Section 6.27 Taxes.

(a) All payments made by Guarantor to Buyer or any other Indemnified Party under the Transaction Documents shall be made free and clear of and without deduction or withholding for or on account of any present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities (including penalties, interest and additions to tax) with respect thereto imposed by any Governmental Authority therewith or thereon, excluding income taxes, branch profits taxes, franchise taxes or any other tax imposed on net income by the United States, a state or a foreign jurisdiction under the laws of which Buyer or such other Indemnified Party is organized or of its applicable lending office, or a state or foreign jurisdiction with respect to which Buyer or such other Indemnified Party has a present or former connection, or any political subdivision thereof (collectively, "Taxes"), all of which shall be paid by Guarantor for its own account not later than the date when due. If any taxes are required to be deducted or withheld from any amounts payable to Buyer and/or any other Indemnified Party, then Guarantor shall (a) make such deduction or withholding, (b) pay the amount so deducted or withheld to the appropriate Governmental Authority not later than the date when due; and (c) pay to Buyer or other Indemnified Party such additional amounts (the "Additional Amount") as may be necessary so that every net payment made under this Guaranty after deduction or withholding for or on account of any Taxes (including any Taxes on such increase and any penalties) is not less than the amount that would have been paid absent such deduction or withholding. The foregoing obligation to pay Additional Amounts, however, will not apply with respect to (i) net income or franchise taxes imposed on Buyer and/or any other Indemnified Party, with respect to payments required to be made by Guarantor under the Transaction Documents, by a taxing jurisdiction in which Buyer and/or any other Indemnified Party is organized, conducts business or is paying taxes (as the case may be). Promptly after Guarantor pays any taxes referred to in this Section 6.27, Guarantor will send Buyer appropriate evidence of such payment.

(b) In addition, Guarantor agrees to pay to the relevant Governmental Authority in accordance with applicable law any current or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies (including, without limitation, mortgage recording taxes, transfer taxes and similar fees) imposed by the United States or any taxing authority thereof or therein that arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Guaranty ("Other Taxes").

(c) Guarantor agrees to indemnify Buyer for the full amount of Taxes (including additional amounts with respect thereto) and Other Taxes, and the full amount of Taxes of any kind

imposed by any jurisdiction on amounts payable under this Section 6.27(c), and any liability (including penalties, interest and expenses arising thereon or with respect thereto) arising therefrom or with respect thereto, provided, that Buyer shall have provided Guarantor with evidence, reasonably satisfactory to Guarantor, of payment of Taxes or Other Taxes, as the case may be.

(d) Without prejudice to the survival or any other agreement of Guarantor hereunder, the agreements and obligations of Guarantor contained in this Section 6.27 shall survive the termination of this Guaranty. Nothing contained in this Section 6.27 shall require Buyer to make available any of their tax returns or other information that it deems to be confidential or proprietary.

Section 6.28 Patriot Act Notice. Buyer hereby notifies Guarantor that Buyer is required by the Patriot Act to obtain, verify and record information that identifies Guarantor.

Section 6.29 Successive Actions. A separate right of action hereunder shall arise each time Buyer acquires knowledge of any matter indemnified or guaranteed by Guarantor under this Guaranty. Separate and successive actions may be brought hereunder to enforce any of the provisions hereof at any time and from time to time. No action hereunder shall preclude any subsequent action, and Guarantor hereby waives and covenants not to assert any defense in the nature of splitting causes of action or merger of judgments.

Section 6.30 Effect of Amendment and Restatement. From and after the date hereof, the Original Guaranty shall be amended, restated and superseded in its entirety by this Guaranty and Buyer hereby releases Original Guarantor from all liability relating to the payments, covenants, conditions, stipulations and other obligations contained in or arising under the Original Guaranty, except for any liability which may have accrued prior to the date hereof against Original Guarantor under the Original Guaranty for which a claim has been made prior to the date hereof.

[Remainder of This Page Intentionally Left Blank]

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed as of the date first written above.

GUARANTOR:

CREDIT RE OPERATING COMPANY, LLC, a Delaware limited liability company

By: /s/ David A. Palamé
Name: David A. Palamé
Title: Vice President

ACCEPTED AND AGREED:

BUYER:

CITIBANK, N.A.,
a national banking association

By: /s/ Richard B. Schlenger
Name: Richard B. Schlenger
Title: Authorized Signatory

Exhibit 10.29

SECOND AMENDMENT TO MASTER REPURCHASE AGREEMENT

SECOND AMENDMENT TO MASTER REPURCHASE AGREEMENT, dated as of January 31, 2018 (this "Amendment"), by and between DB LOAN NT-II, LLC, a Delaware limited liability company ("Master Seller"), and DEUTSCHE BANK AG, CAYMAN ISLANDS BRANCH, a branch of a foreign banking institution ("Buyer"), and acknowledged and agreed to by CREDIT RE OPERATING COMPANY, LLC, a Delaware limited liability company ("Sponsor"), and DB LOAN MEMBER NT-II, LLC, a Delaware limited liability company ("Member"). Capitalized terms used but not otherwise defined herein shall have the respective meanings given to them in the Repurchase Agreement (as hereinafter defined).

RECITALS

WHEREAS, Master Seller and Buyer are parties to that certain Master Repurchase Agreement, dated as of July 2, 2014 (as amended, modified and/or restated, the "Repurchase Agreement") between Master Seller and Buyer;

WHEREAS, NorthStar Real Estate Income II, Inc., a Maryland corporation ("NS Income II"), and NorthStar Real Estate Income Operating Partnership II, LLC, a Delaware limited liability company (formerly known as NorthStar Real Estate Income Operating Partnership II, LP, "Operating Partnership"; and together with NS Income II, "Original Sponsor") guaranteed the obligations of Seller under the Repurchase Agreement and the other Transaction Documents pursuant to that certain Guaranty, dated as of July 2, 2014 (as amended, modified and/or restated, the "Original Guaranty"), from Original Sponsor to Buyer;

WHEREAS, Member guaranteed the obligations of Seller under the Repurchase Agreement and the other Transaction Documents pursuant to that certain Member Guaranty, dated as of July 2, 2014 (as amended, modified and/or restated, the "Member Guaranty"), from Member to Buyer;

WHEREAS, Master Seller and Buyer amended the Repurchase Agreement pursuant to that certain First Amendment to Master Repurchase Agreement, dated as of January 6, 2016 (the "First Amendment"), by and between Master Seller and Buyer, and acknowledged and agreed to by Original Sponsor and Member;

WHEREAS, pursuant to a certain combination agreement, dated as of August 25, 2017 (as amended, modified and/or restated, the "Combination Agreement"), Original Sponsor and certain of its Affiliates agreed to enter into certain transactions (collectively, the "Combination") with certain subsidiaries of Colony NorthStar, Inc. ("CLNS") including the merger of NS Income II and certain of its Affiliates in all-stock mergers into Colony NorthStar Credit Real Estate, Inc. ("CLNS Credit RE");

WHEREAS, in connection with the Combination, Master Seller, on behalf of itself and each Series Seller that is a party to a Transaction under the Repurchase Agreement as of the date hereof, and Buyer wish to further amend and modify the Repurchase Agreement upon the terms and conditions hereinafter set forth; and

WHEREAS, in connection with the Combination, Credit RE Operating Company, LLC, a Delaware limited liability company ("Sponsor") that is the wholly-owned subsidiary of CLNS Credit RE, has guaranteed the obligations of Seller under the Repurchase Agreement and the other Transaction Documents pursuant to an Amended and Restated Guaranty, dated as of the date hereof (the "A&R Guaranty"), from Sponsor to Buyer, which A&R Guaranty amends and restates the Original Guaranty.

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Master Seller, on behalf of itself and each Series Seller that is a party to a Transaction under the Repurchase Agreement as of the date hereof, and Buyer hereby agree that the Repurchase Agreement shall be amended and modified as follows:

1. Amendments to the Repurchase Agreement.

(a) The following defined terms are hereby added to Section 2(a) of the Repurchase Agreement (in the proper alphabetical order):

"CLNS Credit RE" shall mean Colony NorthStar Credit Real Estate, Inc., a Maryland corporation.

"Financing Fee" shall mean, with respect to any Transaction as of any date, the aggregate amount obtained by daily application of the Financing Fee Rate to the then outstanding Purchase Price for such Transaction on a 360-day-per-year basis for the actual number of days during the period commencing on (and including) the Purchase Date for such Transaction and ending on the date of determination (reduced by any amount of such Financing Fee previously paid by Seller to Buyer with respect to such Transaction).

"Financing Fee Cap" shall have the meaning specified in Section 3(o).

"Financing Fee Rate" shall have the meaning specified in Section 3(o).

"Financing Fee Payee" shall have the meaning specified in Section 3(o).

"Second Amendment" shall mean that certain Second Amendment to Master Repurchase Agreement, dated as of January 31, 2018, by and between Master Seller and Buyer, and acknowledged and agreed to by Sponsor and Member.

(b) Section 2(a) of the Repurchase Agreement is hereby amended by deleting the definitions of "NSAM", "NSAM Spin-Off" and "NS Income II" in its entirety.

(c) Section 2(a) of the Repurchase Agreement is hereby amended by deleting the definitions of "Asset Management Agreement", "Change of Control", "Guaranty", "Manager" and "Sponsor" in their entirety and replacing same with the following:

"Asset Management Agreement" shall mean that certain Management Agreement, dated as of January 31, 2018, by and among CLNS Credit RE, Sponsor and Manager, or such other asset management or advisory agreement with respect to CLNS Credit RE acceptable to Buyer in its reasonable discretion, in each case, as same shall be amended, modified and/or restated from time to time.

"Change of Control" shall mean any of the following events shall have occurred without the prior written approval of Buyer: (i) if Manager is no longer the manager of CLNS Credit RE; (ii) any "person" or "group" (within the meaning of Section 13(d) or 14(d) of the 1934 Act) shall become, or obtain rights (whether by means of warrants, options or otherwise) to become, the beneficial owner, directly or indirectly, of 49% or more of the total voting power of all classes of ownership interests of CLNS Credit RE, entitled to vote generally in the election of the directors (or the applicable equivalent) of such Person; (iii) CLNS Credit RE shall cease to own, of record and beneficially, 51% or more of the ownership interests of Sponsor and Control Sponsor; (iv) Sponsor shall cease to own, of record and beneficially, 100% of the ownership interests in Member and Control Member; or (v) Member shall cease to own, of record and beneficially, 100% of the ownership interests in Seller and Control Seller.

"Guaranty" shall mean that certain Amended and Restated Guaranty, dated as of January 31, 2018, from the Sponsor to Buyer, as the same may be amended, modified and/or restated from time to time.

"Manager" shall mean CLNC Manager, LLC, a Delaware limited liability company.

"Sponsor" shall mean Credit RE Operating Company, LLC, a Delaware limited liability company.

(d) Section 3 of the Repurchase Agreement is hereby amended by inserting the following new Section 3(o):

(o) Without limiting the provisions of Sections 5(c), 5(d), 5(e), 26, 27 or 30(d) hereof or any other provisions hereof or of the other Transaction Documents, unless otherwise expressly set forth in a Confirmation with respect to a specific Purchased Loan, Master Seller, on behalf of itself and each Series Seller that may be a party to a Transaction hereunder, and Buyer hereby agree that Seller shall be obligated to pay to the party designated in such Confirmation (the "Financing Fee Payee"), for each Transaction, a Financing Fee at a rate specified by Buyer in its sole and absolute discretion (for each Transaction, the "Financing Fee Rate") as set forth in the Confirmation related to such Transaction, which Financing Fee Rate shall not exceed the cap specified in such Confirmation (the "Financing Fee Cap"). The accrued but unpaid Financing Fee with respect to a Purchased Loan shall be payable on each Remittance Date, and shall be remitted by Depository to the Financing Fee Payee for such Purchased Loan from the Cash Management Account on each Remittance Date pursuant to the provisions of Sections 5(c)(v), 5(d)(v) or 5(e)(v), as applicable.

For the avoidance of doubt: (i) if no Financing Fee Rate is specified in the applicable Confirmation, the amount of corresponding Financing Fee shall be zero, (ii) if a Financing Fee Rate is specified in the applicable Confirmation for a Transaction, it shall be expressed as a percentage or as basis points, and (iii) in no event shall Seller be obligated to pay Financing Fees in excess of the Financing Fee Cap with respect to any Transaction

(e) Section 11(i) of the Repurchase Agreement is hereby amended by deleting the paragraph after Section 11(i)(iv) and replacing such paragraph with the following:

"Documents required to be delivered pursuant to the foregoing may be delivered by electronic communication (including email or otherwise) and if so delivered, shall be deemed to have been delivered on the date (i) on which the applicable party transmits such documents via email, (ii) on which the applicable party posts such documents, or provides a link thereto, on the applicable party's website on the Internet at the website address listed on Schedule 1 attached to the Second Amendment (which website address may be updated by Seller by written notice to Buyer), or (iii) on which such documents are posted on the applicable party's behalf on an Internet or intranet website, if any, to which Buyer has access (whether a commercial, third-party website or whether sponsored by Buyer). Seller shall use reasonable efforts to deliver electronic notice to Buyer promptly after the posting of any financial statements or documents required to be delivered hereunder to the applicable party's Internet or intranet website together with a link to such posted or filed financial statements or documents."

(f) Exhibit I to the Repurchase Agreement is hereby amended and restated in its entirety to read as set forth on Exhibit A attached hereto.

(g) Exhibit VII to the Repurchase Agreement is hereby amended and restated in its entirety to read as set forth on Exhibit B attached hereto.

2. Amendment of Transaction Documents. From and after the date hereof, all references in the Repurchase Agreement to "this Agreement" and all references in the other Transaction Documents to "the Repurchase Agreement" shall be deemed to refer to the Repurchase Agreement as amended and modified by the First Amendment and this Amendment, and as same may be further amended, modified and/or restated.

3. Consent to Combination. Buyer hereby consents to the Combination and Sponsor replacing Original Sponsor as guarantor under the Guaranty.

4. Due Authority. Each of Master Seller, on behalf of itself and each Series Seller that is a party to a Transaction under the Repurchase Agreement as of the date hereof, Sponsor and Member hereby represents and warrants to Buyer that, as of the date hereof, (i) it has the power to execute, deliver and perform its respective obligations under this Amendment, (ii) this Amendment has been duly executed and delivered by it for good and valuable consideration, and constitutes its legal, valid and binding obligation enforceable against it in accordance with its terms subject to

bankruptcy, insolvency, and other limitations on creditors' rights generally and to equitable principles, and (iii) neither the execution and delivery of this Amendment, nor the consummation by it of the transactions contemplated by this Amendment, nor compliance by it with the terms, conditions and provisions of this Amendment will conflict with or result in a breach of any of the terms, conditions or provisions of (A) its organizational documents, (B) any contractual obligation to which it is now a party or the rights under which have been assigned to it or the obligations under which have been assumed by it or to which its assets are subject or constitute a default thereunder, or result thereunder in the creation or imposition of any lien upon any of it's assets, other than pursuant to this Amendment, (C) any judgment or order, writ, injunction, decree or demand of any court applicable to it, or (D) any applicable Requirement of Law, in the case of clauses (A)-(C) above, to the extent that such conflict or breach is reasonably likely to result in a Material Adverse Effect.

5. Counterparts. This Amendment may be executed by each of the parties hereto in any number of separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment in Portable Document Format (PDF) or by facsimile transmission shall be effective as delivery of a manually executed original counterpart thereof.

6. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE CONFLICT OF LAW PRINCIPLES THEREOF.

7. Reaffirmation of Guaranty and Member Guaranty. Sponsor acknowledges the amendments and modifications of the Repurchase Agreement pursuant to this Amendment and hereby ratifies and reaffirms all of the terms, covenants and conditions of the Guaranty and agrees that the Guaranty remains unmodified and in full force and effect and enforceable in accordance with its terms. Member acknowledges the amendments and modifications of the Repurchase Agreement pursuant to this Amendment and hereby ratifies and reaffirms all of the terms, covenants and conditions of the Member Guaranty and agrees that the Member Guaranty remains unmodified and in full force and effect and enforceable in accordance with its terms.

8. Repurchase Agreement and Transaction Documents in Full Force and Effect. Except as expressly amended hereby, Master Seller, on behalf of itself and each Series Seller that is a party to a Transaction under the Repurchase Agreement as of the date hereof, Sponsor and Member acknowledge and agree that all of the terms, covenants and conditions of the Repurchase Agreement and the other Transaction Documents remain unmodified and in full force and effect and are hereby ratified and confirmed in all respects.

9. Termination of Side Letters. The parties hereby agree that those certain side letters, dated as of December 31, 2015, among Master Seller, Buyer, Original Sponsor and Member relating to asset management fees and spread adjustments for Transitional Loans, respectively, are hereby terminated and shall be of no further force or effect.

[NO FURTHER TEXT ON THIS PAGE]

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:

DEUTSCHE BANK AG, CAYMAN ISLANDS BRANCH

By:/s/ Dean Aotani
Name: Dean Aotani
Title: Managing Director

By:/s/ R. Christopher Jones
Name: R. Christopher Jones
Title: Director

MASTER SELLER:

DB LOAN NT-II, LLC

By: DB Loan Member NT-II, LLC, its sole member

By: NorthStar Real Estate Income Operating Partnership II, LLC, its sole member

By: Credit RE Operating Company, LLC, its sole member

By: /s/ David A. Palamé
Name: David A. Palamé
Title: Vice President

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

ACKNOWLEDGED AND AGREED TO
AS OF JANUARY 31, 2018:

SPONSOR:

CREDIT RE OPERATING COMPANY, LLC,
a Delaware limited liability company

By: /s/ David A. Palamé
Name: David A. Palamé
Title: Vice President

MEMBER:

DB LOAN MEMBER NT-II, LLC,
a Delaware limited liability company

By: NorthStar Real Estate Income Operating
Partnership II, LLC, its sole member

By: Credit RE Operating Company, LLC,
its sole member

By: /s/ David A. Palamé
Name: David A. Palamé
Title: Vice President

EXHIBIT A

REPLACEMENT EXHIBIT I

EXHIBIT I

CONFIRMATION STATEMENT
DEUTSCHE BANK AG,
Cayman Islands Branch

Ladies and Gentlemen:

Deutsche Bank AG, Cayman Islands Branch, is pleased to deliver our written **CONFIRMATION** of our agreement to enter into the Transaction pursuant to which Deutsche Bank AG, Cayman Islands Branch shall purchase from you the Purchased Loans identified on Schedule 1 attached hereto, pursuant to the terms of that certain Master Repurchase Agreement, dated as of July 2, 2014 (as amended, modified and/or restated, the "Agreement"), between Deutsche Bank AG, Cayman Islands Branch ("Buyer") and DB Loan NT-II, LLC ("Master Seller"; together with the Series Seller (as defined in the Agreement) identified below, collectively, "Seller"). Capitalized terms used herein without definition have the meanings given in the Agreement.

Series Seller:	[_____]
Purchase Date:	[_____]
Purchased Loan:	[_____]
Principal Balance of Purchased Loan:	[_____]
Repurchase Date:	[_____] (provided, if the Facility Termination Date is extended pursuant to Section 3 of the Letter Agreement, the Repurchase Date shall automatically be extended to such date)
Purchase Date Market Value:	[_____]
Purchase Date Market Value Percentage:	[_____]
Actual Original Purchase Percentage:	[_____]
Maximum Original Purchase Percentage:	[_____]
Purchase Price:	[_____]
Initial Pricing Rate:	[_____]

Applicable Spread:	[_____]
Purchased Loan Type:	[_____]
[Subject to Approved Transaction (Y/N):]	[_____]
Financing Fee:	[_____]
Financing Fee Cap:	[_____]
Asset Manager:	[_____]
Representations and Warranties:	See Schedule 2 attached hereto
Exceptions to Representations and Warranties:	See Schedule 3 attached hereto

Name and address for communications:

Buyer:
Deutsche Bank AG, Cayman Islands Branch
60 Wall Street
New York, New York 10005
Attention: Dean Aotani
Telephone: (212) 250-6870
Telecopy: (212) 797-5630
Email: dean.aotani@db.com

With copies to:
Deutsche Bank AG, Cayman Islands Branch
60 Wall Street
New York, New York 10005
Attention: General Counsel

and

Deutsche Bank AG, Cayman Islands Branch
60 Wall Street
New York, New York 10005
Attention: Robert W. Pettinato Jr.
Telephone: (212) 250-5579
Telecopy: (212) 797-0286
Email: robert.pettinato@db.com

and

Deutsche Bank AG, Cayman Islands Branch
60 Wall Street
New York, New York 10005
Attention: [_____]
Telephone: (212) 250-[____]
Telecopy: [_____]
Email: [_____]

Seller:

DB LOAN NT-II, LLC
c/o Colony NorthStar, Inc.
590 Madison Avenue, 34th Floor
New York, New York 10022
Attention: David A. Palamé
Email: dpalame@clns.com
Fax: (646) 837-5323

With copies to:

Ropes & Gray LLP
1211 Avenue of the Americas
New York, New York 10036
Attention: Daniel L. Stanco, Esq.
Email: daniel.stanco@ropesgray.com
Fax: (646) 728-1677

[SIGNATURE PAGES FOLLOW]

BUYER:

DEUTSCHE BANK AG, CAYMAN ISLANDS BRANCH

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

AGREED AND ACKNOWLEDGED:
MASTER SELLER:

DB LOAN NT-II, LLC

By: DB Loan Member NT-II, LLC, its sole member

By: NorthStar Real Estate Income Operating Partnership II, LLC, its sole member

By: Credit RE Operating Company, LLC, its sole member

By: _____
Name:
Title:

SERIES SELLER:

DB LOAN NT-II, LLC – SERIES [_____],
a series of DB Loan NT-II, LLC, a Delaware limited liability company

By: DB Loan Member NT-II, LLC, its sole member

By: NorthStar Real Estate Income Operating Partnership II, LLC, its sole member

By: Credit RE Operating Company, LLC, its sole member

By:_____
Name:
Title:

SCHEDULE 1 TO CONFIRMATION
(PURCHASED LOAN)

SCHEDULE 2 TO CONFIRMATION
(REPRESENTATIONS AND WARRANTIES)

[** Exhibit VI to Master Repurchase Agreement then in effect to be attached.**]

SCHEDULE 3 TO CONFIRMATION
(EXCEPTIONS TO REPRESENTATIONS AND WARRANTIES)

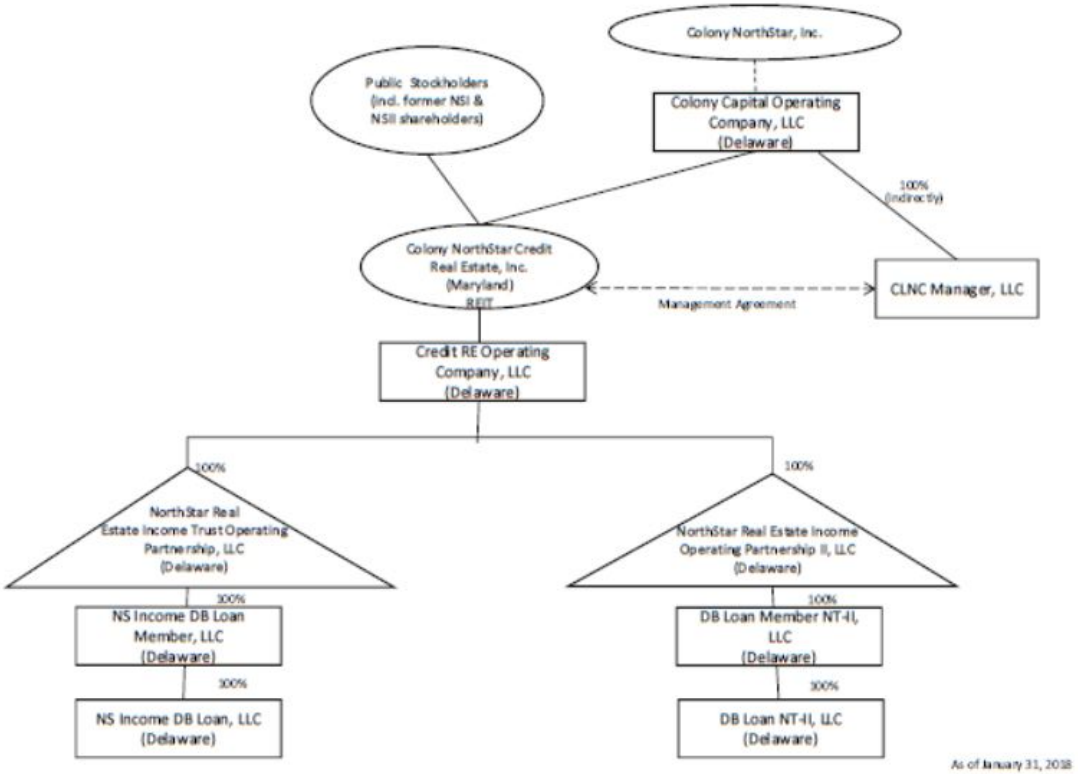
EXHIBIT B

REPLACEMENT EXHIBIT VII

EXHIBIT VII

ORGANIZATIONAL CHART

Colony NorthStar Credit Real Estate, Inc. (NYSE: CLNC)
Post-Combination Structure Chart (DB)



As of January 31, 2018

SCHEDULE 1

http://ir.clncredit.com/financial-information/sec-filings

Exhibit 10.30

AMENDED AND RESTATED GUARANTY

This **AMENDED AND RESTATED GUARANTY** (this "Guaranty") is made and entered into as of January 31, 2018, by **CREDIT RE OPERATING COMPANY, LLC**, a Delaware limited liability company, having an address at c/o Colony NorthStar, Inc., 399 Park Avenue, 18th Floor, New York, New York 10022 ("Guarantor"), for the benefit of **DEUTSCHE BANK AG, CAYMAN ISLANDS BRANCH**, a branch of a foreign banking institution, whose address is 60 Wall Street, 10th Floor, New York, New York 10005 ("Buyer"). This Guaranty is made with reference to the following facts:

A. DB Loan NT-II, LLC, a Delaware limited liability company ("Master Seller"; together with each Series Seller (as defined in the Repurchase Agreement (defined below)) formed by Master Seller under the Repurchase Agreement, collectively, "Seller"), and Buyer have entered into that certain Master Repurchase Agreement, dated as of July 2, 2014 (as amended, modified and/or restated, the "Repurchase Agreement"), pursuant to which Buyer may purchase Purchased Loans (as defined in the Repurchase Agreement) from Seller with a simultaneous agreement from Seller to repurchase such Purchased Loans at a date certain or on demand (the "Transactions");

B. NorthStar Real Estate Income II, Inc., a Maryland corporation ("NS Income II"), and NorthStar Real Estate Income Operating Partnership II, LLC, a Delaware limited liability company (formerly known as NorthStar Real Estate Income Operating Partnership II, LP, "Operating Partnership"; and together with NS Income II, "Original Guarantor") guaranteed the obligations of Seller under the Repurchase Agreement and the other Transaction Documents pursuant to that certain Limited Guaranty, dated as of July 2, 2014 (as amended, modified and/or restated, the "Original Guaranty"), from Original Guarantor to Buyer;

C. In connection with that certain Second Amendment to Master Repurchase Agreement, dated as of the date hereof (the "Second Amendment to Repurchase Agreement"), between Master Seller and Buyer, and acknowledged by Guarantor and Member, the parties have agreed that the Original Guaranty shall be amended, restated, and superseded in its entirety by this Guaranty, and Guarantor is executing and delivering this Guaranty. This Guaranty hereby amends, restates, replaces and supersedes the Original Guaranty in its entirety and Buyer hereby releases Original Guarantor from all liability relating to the payments, covenants, conditions, stipulations and other obligations contained in or arising under the Original Guaranty, except for any liability which may have accrued prior to the date hereof against Original Guarantor under the Original Guaranty for which a claim has been made prior to the date hereof;

D. Buyer has requested, as a condition of entering into the Second Amendment to Repurchase Agreement, that Guarantor execute and deliver this Guaranty to Buyer;

E. Guarantor is an Affiliate (as defined in the Repurchase Agreement) and directly or indirectly controls Seller;

F. Guarantor expects to benefit if Buyer enters into the Second Amendment to Repurchase Agreement with Seller; and

G. Buyer would not enter into the Second Amendment to Repurchase Agreement unless Guarantor executed this Guaranty. This Guaranty is therefore delivered to Buyer to induce Buyer to enter into the Second Amendment to Repurchase Agreement.

NOW, THEREFORE, in exchange for good, adequate, and valuable consideration, the receipt of which Guarantor acknowledges, and to induce Buyer to enter into the Second Amendment to Repurchase Agreement and any and all Transactions and to continue in effect any Transactions in effect thereunder on and as of the date hereof, Guarantor agrees as follows:

1. ***Definitions***. For purposes of this Guaranty, the following terms shall be defined as set forth below. In addition, any capitalized term used herein which is defined in the Repurchase Agreement but not defined in this Guaranty shall have the meaning ascribed to such term in the Repurchase Agreement.

(a) "Available Borrowing Capacity" means, on any date of determination, the total unrestricted borrowing capacity which may be drawn (taking into account required reserves and discounts) upon by the Sponsor and its Subsidiaries under any credit facilities (including repurchase agreements, note on note facilities, or otherwise), but with respect to any such credit facility, solely to the extent that such available borrowing capacity is committed by the related lender.

(b) "Capital Expenditures" means, with respect to any Person for any period, the aggregate of all expenditures by such Person and its Subsidiaries for the acquisition or leasing (pursuant to a capital lease) of fixed or capital assets or additions to equipment (including replacements, capitalized repairs and improvements during such period) that should be capitalized under GAAP on a consolidated balance sheet of such Person and its Subsidiaries.

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

(d) "Capital Stock" means, with respect to any Person, all of the shares of capital stock or share capital of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock or share capital of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock or share capital of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

(e) "Cash Equivalents" means, as of any date of determination (i) marketable securities (a) issued or the principal and interest of which are directly and unconditionally guaranteed by the United States or (b) issued by any agency of the United States, the obligations of which are backed by the full faith and credit of the United States and (ii) time deposits, certificates of deposit, money market accounts or banker's acceptances of any investment grade rated commercial bank, in each case with respect to clauses (i) and (ii) which mature within ninety (90) days after such date of determination.

(f) "Consolidated EBITDA" means, with respect to any Person for any period, Core Earnings plus an amount which, in the determination of Core Earnings for such period, has been deducted (and not added back) for, without duplication, (i) Consolidated Interest Expense, (ii) provisions for taxes based on income of such Person and its Consolidated Subsidiaries (provided that Consolidated EBITDA shall, solely with respect to the Consolidated EBITDA attributable to any Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of such attributable amount), and (iii) preferred dividends.

(g) "Consolidated Group Pro Rata Share" means, with respect to any Non Wholly-Owned Consolidated Affiliate, the percentage interest held by Guarantor and its Wholly Owned Subsidiaries, in the aggregate, in such Non Wholly-Owned Consolidated Affiliate determined by calculating the percentage of Capital Stock of such Non Wholly-Owned Consolidated Affiliate owned by Guarantor and its Wholly Owned Subsidiaries.

(h) "Consolidated Interest Expense" means, with respect to any Person for any period, total interest expense (including that attributable to Capital Lease Obligations) of such Person and its Consolidated Subsidiaries for such period with respect to all outstanding Indebtedness of such Person and its Consolidated Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs under Swap Agreements in respect of interest rates to the extent such net costs are allocable to such period in accordance with GAAP); provided that Consolidated Interest Expense shall, with respect to any Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of the total cash interest expense (determined in accordance with GAAP) of such Non Wholly-Owned Consolidated Affiliate for such period.

(i) "Consolidated Leverage Ratio" means, with respect to any Person on any date of determination, the ratio of (a) Consolidated Total Debt on such day to (b) Total Asset Value as of such date.

(j) "Consolidated Subsidiaries" means, with respect to any Person, all Subsidiaries of such Person which are consolidated with such Person for financial reporting purposes under GAAP.

(k) "Consolidated Tangible Net Worth" means, for any Person on any date of determination, all amounts that would, in conformity with GAAP, be included on a consolidated balance sheet of such Person and its Consolidated Subsidiaries under stockholders' equity at such date *plus* (i) accumulated depreciation and (ii) amortization of real estate intangibles such as in-place lease value, above and below market lease value and deferred leasing costs which are purchase price allocations determined upon the acquisition of real estate, in each case, of such Person and its Consolidated

Subsidiaries on such date (provided that the amounts described in the foregoing clauses (i) and (ii) shall, solely with respect to any such amount attributable to any Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of such attributable amount) *minus* the Intangible Assets of such Person and its Consolidated Subsidiaries on such date (provided that any such amount deducted with respect to deferred financing costs shall, solely with respect to any such amount attributable to any Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of such attributable amount).

(l) "Consolidated Total Debt" means, with respect to any Person on any date of determination, the aggregate principal amount of all Indebtedness of the such Person and its Consolidated Subsidiaries at such date, determined on a consolidated basis in accordance with GAAP; provided that Consolidated Total Debt shall (i) exclude any Indebtedness attributable to a Specified GAAP Reportable B Loan Transaction, (ii) exclude all Permitted Non-Recourse CLO Indebtedness and (iii) solely with respect to the Indebtedness of any Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of such Indebtedness

(m) "Control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise and "Controlling," "Controlled" and "under common Control" shall have meanings correlative thereto. For purposes of this definition, debt securities that are convertible into common stock will be treated as voting securities only when converted.

(n) "Core Earnings" means, with respect to any Person for any period, net income determined in accordance with GAAP of such Person and its consolidated subsidiaries and excluding (but only to the extent included in determining net income for such period) (i) non-cash equity compensation expense, (ii) the expenses incurred in connection with the formation of the Sponsor and the offering in connection therewith, including the initial underwriting discounts and commissions, (iii) acquisition costs from successful acquisitions (other than acquisitions made in the ordinary course of business), (iv) real property depreciation and amortization, (v) any unrealized gains or losses or other similar non-cash items that are included in net income for the current quarter, regardless of whether such items are included in other comprehensive income or loss, (vi) extraordinary or non-recurring gains or losses and (vii) one-time expenses, charges or gains relating to changes in GAAP; provided that Core Earnings shall, solely with respect to the Core Earnings attributable to any Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of such attributable amount.

(o) "Costs" means all reasonable out-of-pocket costs and expenses incurred by Buyer in any Proceeding or in obtaining legal advice and assistance in connection with any Proceeding, any Guarantor Litigation, or any Default or Event of Default by Seller under the Transaction Documents or any default by Guarantor under this Guaranty (including any breach of a representation or warranty contained in this Guaranty), including, without limitation, reasonable out-of-pocket attorneys' fees, disbursements, court costs and expenses.

(p) "Customary Recourse Exceptions" means, with respect to any Non-Recourse Indebtedness, exclusions from the exculpation provisions with respect to such Non-Recourse Indebtedness such as fraud, misapplication of cash, voluntary bankruptcy, environmental claims, breach of representations and warranties, failure to pay taxes and insurance, as applicable, and other circumstances customarily excluded by institutional lenders from exculpation provisions and/or included in separate indemnification agreements in non-recourse financings of commercial real estate.

(q) "Guarantee" means, as to any Person, any obligation of such Person directly or indirectly guaranteeing any Indebtedness of any other Person or in any manner providing for the payment of any Indebtedness of any other Person or otherwise protecting the holder of such Indebtedness against loss (whether by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, or to take-or-pay or otherwise); provided that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee of a Person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which the Guarantee is made and (b) the maximum amount for which such Person may be liable pursuant to the terms of the instrument embodying such Guarantee, unless such primary obligation or maximum amount for which such Person may be liable is not stated or determinable, in which case the amount of such Guarantee shall be such Person's maximum reasonably anticipated liability in respect thereof as determined by such Person in accordance with GAAP. The terms "Guarantee" and "Guaranteed" used as verbs shall have correlative meanings.

(r) "Guarantied Obligations" means Seller's obligations to fully and promptly pay all sums owed to Buyer under the Repurchase Agreement, the Letter Agreement, and the other Transaction Documents and to Buyer and any Affiliated Hedge Counterparties under any Affiliated Hedging Transactions with Affiliated Hedge Counterparties, at the times and according to the terms required by the Transaction Documents or the applicable Affiliated Hedging Transaction documents, as applicable, including the Repurchase Price for each Purchased Loan, accrued interest, default interest, costs, or fees (including any such interest, costs or fees arising from and after the filing of an Insolvency Proceeding by or against Seller), without regard to any modification, suspension, or limitation of such terms not agreed to by Buyer, such as a modification, suspension, or limitation arising in or pursuant to any Insolvency Proceeding by or against Seller (even if any such modification, suspension, or limitation causes Seller's obligation to become discharged or unenforceable, and in the case of an Insolvency Proceeding against Seller, even if such modification was made with Buyer's consent or agreement).

(s) "Guarantor Litigation" means any litigation, arbitration, investigation, or administrative proceeding of or before any court, arbitrator, or governmental authority, bureau or agency that materially affects this Guaranty or any asset(s) or property(ies) of Guarantor.

(t) "Indebtedness" means, as to any Person at a particular time, without duplication, the following to the extent they are included as indebtedness or liabilities in accordance with GAAP:

(i) obligations created, issued or incurred by such Person for borrowed money (whether by loan, the issuance and sale of debt securities or the sale of property to another Person subject to an understanding or agreement, contingent or otherwise, to repurchase such property from such Person);

(ii) obligations of such Person to pay the deferred purchase or acquisition price of property or services, other than trade accounts payable (other than for borrowed money) arising, and accrued expenses incurred, in the ordinary course of business so long as such trade accounts payable are payable within sixty (60) days of the date the respective goods are delivered or the respective services are rendered;

(iii) Indebtedness of others secured by a lien on the property of such Person, whether or not the respective Indebtedness so secured has been assumed by such Person;

(iv) obligations (contingent or otherwise) of such Person in respect of letters of credit or similar instruments issued or accepted by banks and other financial institutions for the account of such Person;

(v) Capital Lease Obligations of such Person;

(vi) obligations of such Person under repurchase agreements, sale/buy-back agreements or like arrangements;

(vii) Indebtedness of others Guaranteed by such Person;

(viii) all obligations of such Person incurred in connection with the acquisition or carrying of fixed assets by such Person;

(ix) Indebtedness of general partnerships of which such Person is a general partner; and

(x) all net liabilities or obligations under any interest rate swap, interest rate cap, interest rate floor, interest rate collar or other hedging instrument or agreement.

(u) "Insolvency Proceeding" means any voluntary or involuntary case or proceeding under the Bankruptcy Code or any other insolvency, bankruptcy, reorganization, liquidation, or like proceeding under any Bankruptcy Laws.

(v) "Intangible Assets" means assets that are considered to be intangible assets under GAAP, including customer lists, goodwill, computer software, copyrights, trade names, trademarks, patents, franchises, licenses, unamortized deferred charges (including deferred financing costs), unamortized debt discount and capitalized research and development costs; provided, however, that Intangible Assets shall not include real estate intangibles such as in-place lease value, above and below market lease value and deferred leasing costs which are purchase price allocations determined upon the acquisition of real estate.

(w) "Lien" means any mortgage, lien, encumbrance, charge or other security interest, whether arising under contract, by operation of law, judicial process or otherwise.

(x) "Liquidity" means, for any Person and its Consolidated Subsidiaries, the sum of (a) cash and Cash Equivalents and (b) Available Borrowing Capacity.

(y) "Member" means DB Loan Member NT-II, LLC, a Delaware limited liability company.

(z) "Non-Recourse Indebtedness" means, Indebtedness that is not Recourse Indebtedness.

(aa) "Non Wholly-Owned Consolidated Affiliate" means each Consolidated Subsidiary of Guarantor in which less than 100% of each class of the Capital Stock (other than directors' qualifying shares, if applicable) of such Consolidated Subsidiary are at the time owned, directly or indirectly, by Guarantor.

(bb) "Permitted Non-Recourse CLO Indebtedness" means Indebtedness that is (i) incurred by a Subsidiary of Guarantor in the form of asset-backed securities commonly referred to as "collateralized loan obligations" or "collateralized debt obligations" and (ii) is Non-Recourse Indebtedness.

(cc) "Person" means, any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, governmental authority or other entity.

(dd) "Proceeding" means any action, suit, arbitration, or other proceeding arising out of or relating to the interpretation or enforcement of, this Guaranty or the Transaction Documents, including (a) an Insolvency Proceeding; (b) any proceeding in which Buyer endeavors to realize upon any Security or to enforce any Transaction Document(s) (including this Guaranty) against Seller or Guarantor, to the extent that Buyer is the prevailing party in such proceeding or such proceeding results in a settlement pursuant to which any payment is made by Guarantor; and (c) any proceeding commenced by Seller or Guarantor against Buyer in which Buyer is the prevailing party.

(ee) "Recourse Indebtedness" means, with respect to any Person, for any period, without duplication, the aggregate Indebtedness in respect of which such Person is subject to recourse for payment, whether as a borrower, guarantor or otherwise; provided, that Indebtedness arising pursuant to Customary Recourse Exceptions shall not constitute Recourse Indebtedness until such time (if any) as demand has been made for the payment or performance of such Indebtedness.

(ff) "Security" means any security or collateral held by or for Buyer for the Transactions or the Guarantied Obligations, whether real or personal property, including any mortgage, deed of trust, financing statement, security agreement, and other security document or instrument of any kind securing the Transactions in whole or in part. "Security" shall include all assets and property of any kind whatsoever pledged or mortgaged to Buyer pursuant to the Transaction Documents.

(gg) "Seller" has the meaning set forth in recital A to this Guaranty and shall include: (a) any estate created by the commencement of an Insolvency Proceeding by or against Seller; (b) any trustee, liquidator, sequestrator, or receiver of Seller or any of its property; and (c) any similar person duly appointed pursuant to any law governing any Insolvency Proceeding of Seller.

(hh) "Specified GAAP Reportable B Loan Transaction" means a transaction involving either (i) the sale by Guarantor or any Subsidiary of Guarantor of the portion of an investment consisting of an "A-Note", and the retention by Guarantor or any Subsidiary of Guarantor of the portion of such Investment Asset consisting of a "B-Note", which transaction is required to be accounted for under GAAP as a "financing transaction" or (ii) the acquisition or retention by Guarantor or any of its Subsidiaries of an Investment Asset consisting of a "b-piece" in a securitization facility, which transaction under GAAP results in all of the assets of the trust that is party to the securitization facility, and all of the bonds issued by such trust under such securitization facility that are senior to the "b-piece", to be consolidated on Guarantor's consolidated balance sheet as assets and liabilities, respectively.

(ii) "State" means the State of New York.

(jj) "Subsidiary" means, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership, limited liability company or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person.

(kk) "Swap Agreement" means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of Guarantor or any of its Subsidiaries shall be a "Swap Agreement".

(ll) "Total Asset Value" means, with respect to any Person as of any date of determination, the net book value of the total assets of such Person and its Consolidated Subsidiaries on such date as determined in accordance with GAAP plus (x) accumulated depreciation and (y) amortization of real estate intangibles; provided, that Total Asset Value shall (i) exclude the amount of all restricted cash (other than reserves for Capital Expenditures) of such Person and its Consolidated Subsidiaries to the extent such cash supports obligations that do not constitute Consolidated Total Debt, (ii) include the net book value of assets associated with a Specified GAAP Reportable B Loan Transaction only to the extent in excess of the amount of any Indebtedness attributable to such Specified GAAP Reportable B Loan Transaction, (iii) include the net book value of assets associated with any Permitted Non-Recourse CLO Indebtedness and (iv) solely with respect to the net book value of the total assets of a Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of the net book value of such Non Wholly-Owned Consolidated Affiliate's total assets.

(mm) "Transaction Document" means each "Transaction Document" (as defined in the Repurchase Agreement) other than this Guaranty.

(nn) "Wholly Owned Subsidiary" means, with respect to any Person, any other Person all of the Capital Stock of which (other than directors' qualifying shares required by law) is owned by such Person directly and/or through other Wholly Owned Subsidiaries.

2. ***Absolute Guaranty of All Guarantied Obligations***. (a) Subject to clause (b) below, Guarantor hereby unconditionally and irrevocably guarantees to Buyer the prompt and complete payment and performance by Seller when due (whether at the stated maturity, by acceleration or otherwise) of the Guarantied Obligations. All assets and property of Guarantor shall be subject to recourse if Guarantor fails to pay any Guarantied Obligation(s) when and as required to be paid pursuant to the Transaction Documents.

(b) Notwithstanding anything herein or in any other Transaction Document to the contrary, but subject to clauses (c) and (d) below, the maximum liability of Guarantor hereunder and under the other Transaction Documents shall in no event exceed the sum of (i) the greater of (A) the sum of (1) twenty-five percent (25%) of the aggregate Repurchase Price of all Purchased Loans that are Stabilized Loans subject to Transactions under the Repurchase Agreement as of the date of the occurrence of any Event of Default (which remains uncured and for which Buyer has made any demand for payment by Guarantor hereunder) plus (2) one hundred percent (100%) of the aggregate Repurchase Price of all Purchased Loans that are Transition Loans subject to Transactions under the Repurchase Agreement as of the date of the occurrence of any Event of Default (which remains uncured and for which Buyer has made any demand for payment by Guarantor hereunder), and (B) the lesser of (1) $12,500,000, provided that if the Maximum Amount (as defined in the Letter Agreement) shall be increased at any time to an amount greater than $100,000,000, the amount under this Section 2(b)(i)(B)(1) shall be increased to include twelve and one-half percent (12.5%) of the amount of such increase in the Maximum Amount, and (2) the aggregate Repurchase Price of all Purchased Loans then subject to Transactions under the Repurchase Agreement; (ii) all Exit Fees (as defined in the Letter Agreement) due and payable to Buyer under the Transaction Documents; and (iii) Buyer's Costs relating to the enforcement of remedies pursuant to this Guaranty .

(c) Notwithstanding the foregoing, the limitation on recourse liability as set forth in subsection (b) above SHALL BECOME NULL AND VOID and shall be of no further force and effect and the Guarantied Obligations immediately shall become fully recourse to Seller and Guarantor, jointly and severally, in the event of any of the following:

(i) a voluntary Insolvency Proceeding is commenced by Seller (with respect to Seller) or Member (with respect to Member) under any Bankruptcy Law; or

(ii) an involuntary Insolvency Proceeding under any Bankruptcy Law against Seller or Member in which Seller, Member, Guarantor, or any Affiliate of any of the foregoing has or have colluded or conspired with the creditors in connection with the commencement or filing of such proceeding prior to such filing.

(d) In addition to the foregoing and notwithstanding the limitation on recourse liability set forth in subsection (b) above, Guarantor shall be liable for any reasonable out-of-pocket losses, costs, claims, expenses or other liabilities incurred by Buyer arising out of or attributable to:

(i) fraud or intentional misrepresentation by or on behalf of Seller, Member or Guarantor in connection with the execution and the delivery of this Guaranty, the Repurchase Agreement, the Letter Agreement or any of the other Transaction Documents, or any certificate, report, financial statement or other instrument or document furnished to Buyer at the time of the closing of the Repurchase Agreement or during the term of the Repurchase Agreement;

(ii) any material breach by Seller or Member of the single-purpose entity covenants set forth in Section 12 of the Repurchase Agreement which results in the substantive consolidation of Master Seller, any Series Seller and/or Member with any other Person;

(iii) the misappropriation or misapplication by Seller, Guarantor or any of their respective Affiliates of any Income received with respect to the Purchased Loans in violation of the Transaction Documents; and

(iv) any material breach of any representations and warranties by Seller or Guarantor, or any of their respective Affiliates, of any representations and warranties in the Transaction Documents relating to Environmental Laws or Hazardous Materials, or any indemnity for costs incurred in connection with the violation of any Environmental Law, the correction of any environmental condition, or the removal of any Hazardous Materials, in each case in any way affecting any Mortgaged Property or any of the Purchased Loans.

(e) Nothing herein shall be deemed to be a waiver of any right which Buyer may have under Section 506(a), 506(b), 1111(b) or any other provision of the Bankruptcy Code or any other Bankruptcy Law to file a claim for the full amount of the indebtedness secured by the Repurchase Agreement or to require that all collateral shall continue to secure all of the indebtedness owing to the Buyer in accordance with the Repurchase Agreement or any other Transaction Documents.

(f) Guarantor further agrees to pay any and all reasonable out-of-pocket expenses (including, without limitation, all reasonable out-of-pocket fees and disbursements of counsel) which may be paid or actually incurred by Buyer in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting, any or all of the Guaranteed Obligations and/or enforcing any rights with respect to, or collecting against, Guarantor under this Guaranty after the occurrence and during the continuance of a Default or Event of Default. This Guaranty shall remain in full force and effect until the Guaranteed Obligations are paid in full, notwithstanding that from time to time prior thereto Seller may be free from any Guaranteed Obligations.

(g) No payment or payments made by Seller, Member or any other Person or received or collected by Buyer from Seller, Member or any other Person by virtue of any action or proceeding or any set-off or appropriation or application, at any time or from time to time, in reduction of or in payment of the Guarantied Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of Guarantor hereunder which shall, notwithstanding any such payment or payments, remain liable for the amount of the Guarantied Obligations until the Guarantied Obligations are paid in full; provided, however, that Guarantor's liability under Section 2 of this Guaranty shall be reduced by the amount of any payments actually received by Buyer from Seller, Member or any other Person in payment of the Repurchase Obligations (but any amounts received shall not reduce the Guarantied Obligations due under Section 2(b) of this Guaranty unless and until the aggregate Repurchase Price has been repaid to an amount less than the amount due under Section 2(b)).

(h) Guarantor agrees that whenever, at any time, or from time to time, Guarantor shall make any payment to Buyer on account of Guarantor's liability hereunder, Guarantor will notify Buyer in writing that such payment is made under this Guaranty for such purpose.

3. ***Nature of Liability***. Guarantor's liability under this Guaranty is primary and not secondary.

4. ***Changes in Transaction Documents***. Without notice to, or consent by, Guarantor, and in Buyer's sole and absolute discretion and without prejudice to Buyer or in any way limiting or reducing Guarantor's liability under this Guaranty, Buyer may: (a) grant extensions of time, renewals or other indulgences or modifications to Seller or any other party under any of the Transaction Document(s), (b) change, amend or modify any Transaction Document(s), (c) authorize the sale, exchange, release or subordination of any Security, (d) accept or reject additional Security, (e) discharge or release any party or parties liable under the Transaction Documents, (f) foreclose or otherwise realize on any Security, or attempt to foreclose or otherwise realize on any Security in accordance with the terms of the Repurchase Agreement, whether such attempt is successful or unsuccessful, (g) accept or make compositions or other arrangements or file or refrain from filing a claim in any Insolvency Proceeding, (h) enter into other Transactions with Seller in such amount(s) and at such time(s) as Buyer may determine,

(i) credit payments in such manner and order of priority to Repurchase Prices, or other obligations as Buyer may determine in its discretion in accordance with the terms of the Repurchase Agreement, and (j) otherwise deal with Seller and any other party related to the Transactions or any Security as Buyer may determine in its sole and absolute discretion. Without limiting the generality of the foregoing, Guarantor's liability under this Guaranty shall continue even if Buyer alters any obligations under the Transaction Documents in any respect or Buyer's or Guarantor's remedies or rights against Seller are in any way impaired or suspended without Guarantor's consent. If Buyer performs any of the actions described in this paragraph, then Guarantor's liability shall continue in full force and effect even if Buyer's actions impair, diminish or eliminate Guarantor's subrogation, contribution, or reimbursement rights (if any) against Seller, or otherwise adversely affect Guarantor or expand Guarantor's liability hereunder.

5. ***Certain Financial Covenants***.

(a) ***Financial Covenants***. Guarantor covenants and agrees that it will comply with the following financial covenants (the "Financial Covenants") at all times while the Repurchase Agreement and Transaction Documents remain in effect:

(i) ***Minimum Liquidity***. Liquidity at any time shall not be less than the lower of (i) Fifty Million Dollars ($50,000,000) and (ii) the greater of (A) Ten Million Dollars ($10,000,000) and (B) five percent (5%) of Guarantor's Recourse Indebtedness;

(ii) ***Minimum Tangible Net Worth***. Consolidated Tangible Net Worth at any time shall not be less than the sum of (i) $2,142,000,000.00, plus (ii) seventy-five percent (75%) of the net cash proceeds thereafter received by Guarantor (x) from any offering by Guarantor of its common equity and (y) from any offering by CLNS Credit RE of its common equity to the extent such net cash proceeds are contributed to Guarantor, excluding any such net cash proceeds that are contributed to Guarantor within ninety (90) days of receipt of such net cash proceeds and applied to purchase, redeem or otherwise acquire Capital Stock issued by Guarantor (or any direct or indirect parent thereof);

(iii) ***Maximum Consolidated Leverage Ratio***. The Consolidated Leverage Ratio at any time may not exceed 0.75 to 1.00; and

(iv) ***Minimum Interest Coverage Ratio***. As of any date of determination, the ratio of (i) Consolidated EBITDA for the period of twelve (12) consecutive months ended on such date (if such date is the last day of a fiscal quarter) or the fiscal quarter most recently ended prior to such date (if such date is not the last day of a fiscal quarter) to (ii) Consolidated Interest Expense for such period shall not be less than 1.4 to 1.

(b) ***MFN Provision***. Notwithstanding anything to the contrary contained herein or in any Transaction Document, (i) in the event that Guarantor, CLNS Credit RE, Seller or any Subsidiary of Guarantor or CLNS Credit RE has entered into or shall enter into or amend any other commercial real estate loan repurchase agreement, warehouse facility or credit facility with any other lender or repurchase buyer (each as in effect after giving effect to all amendments thereof, a "Third Party Agreement") and such Third Party Agreement contains any financial covenant as to Guarantor for which there is no corresponding covenant in Section 5(a) at the time such financial covenant becomes effective (each an "Additional Financial Covenant"), or contains a financial covenant that corresponds to a covenant in Section 5(a) and such financial covenant is more restrictive as to Guarantor than the corresponding covenant in Section 5(a) as in effect at the time such financial covenant becomes effective (each, a "More Restrictive Financial Covenant" and together with each Additional Financial Covenant, each an "MFN Covenant"), then (A) Guarantor shall promptly notify Buyer of the effectiveness of such MFN Covenant and (B) in the sole discretion of Buyer Section 5(a) will automatically be deemed to be modified to reflect such MFN Covenant (whether through amendment of an existing covenant contained in Section 5(a) (including, if applicable, related definitions) or the inclusion of an additional financial covenant (including, if applicable, related definitions), as applicable), and (ii) in the event that all Third Party Agreements that contain an MFN Covenant are or have been amended, modified or terminated and the effect thereof is to make less restrictive as to Guarantor any MFN Covenant or eliminate any Additional Financial Covenant, then, upon Guarantor providing written notice to Buyer of the same (each an "MFN Step Down Notice"), which Guarantor may deliver to Buyer from time to time, the financial covenants in Section 5(a) will automatically be deemed to be modified to reflect only such MFN Covenants which are then in effect as of the date of any such MFN Step Down Notice; provided, however, that in no event shall the foregoing cause the financial covenants of Guarantor to be any less restrictive than the financial covenants expressly set forth in Section 5(a). Promptly upon request by Buyer, Guarantor shall execute and take any and all acts, amendments, supplements, modifications and assurances and other instruments as Buyer may reasonably require from time to time in order to document any such modification and otherwise carry out the intent and purposes of this paragraph.

6. ***Nature of Guaranty***. Guarantor's liability under this Guaranty is a guaranty of payment of the Guarantied Obligations, and is not a guaranty of collection or collectability. Guarantor's liability under this Guaranty is not conditioned or contingent upon the genuineness, validity, regularity or enforceability of any of the Transaction Documents. Guarantor's liability under this Guaranty is a continuing, absolute, and unconditional obligation under any and all circumstances whatsoever (except as expressly stated, if at all, in this Guaranty), without regard to the validity, regularity or enforceability of any of the Guarantied Obligations. Guarantor acknowledges that Guarantor is fully obligated under this Guaranty even if Seller had no liability at the time of execution of the Transaction Documents or later ceases to be liable under any Transaction Document, whether pursuant to Insolvency Proceedings by or against Seller or otherwise (other than payment in full of the Guarantied Obligations). Guarantor shall not be entitled to claim, and irrevocably covenants not to raise or assert, any defenses against any Guarantied Obligation that would or might be available to Seller, other than actual payment and performance of such Guarantied Obligations in full in accordance with their terms. Guarantor waives any right to compel Buyer to proceed first against Seller or any Security before proceeding against Guarantor. Guarantor agrees that if any of the Guarantied Obligations are or become void or unenforceable against Seller (because of inadequate consideration, lack of capacity, Insolvency Proceedings, or for any other reason), then Guarantor's liability under this Guaranty shall continue in

full force with respect to all Guarantied Obligations as if they were and continued to be legally enforceable, all in accordance with their terms and, in the case of Insolvency Proceedings, before giving effect to the Insolvency Proceedings. Without limiting the generality of the foregoing, if the Guarantied Obligations are "nonrecourse" as to Seller or Seller's liability for the Guarantied Obligations is otherwise limited in some way, Guarantor nevertheless intends to be fully liable, to the full extent of all of Guarantor's assets, with respect to all the Guarantied Obligations, even though Seller's liability for the Guarantied Obligations may be less limited in scope or less burdensome. Guarantor waives any defense that might otherwise be available to Guarantor based on the proposition that a guarantor's liability cannot exceed the liability of the principal. Guarantor waives any defenses to this Guaranty arising or purportedly arising from the manner in which Buyer disburses the Purchase Price for any Purchased Loan to Seller or otherwise, or any waiver of the terms of any Transaction Document by Buyer or other failure of Buyer to require full compliance with the Transaction Documents. Guarantor's liability under this Guaranty shall continue until all sums due under the Transaction Documents have been paid in full and all other performance required under the Transaction Documents has been rendered in full, except as expressly provided otherwise in this Guaranty. Guarantor's liability under this Guaranty shall not be limited or affected in any way by any impairment or any diminution or loss of value of any Security whether caused by (a) hazardous substances, (b) Buyer's failure to perfect a security interest in any Security, (c) any disability or other defense(s) of Seller, or (d) any breach by Seller of any representation or warranty contained in any Transaction Document.

7. ***Waivers of Rights and Defenses***. Guarantor waives any right to require Buyer to (a) proceed against Seller, (b) proceed against or exhaust any Security, or (c) pursue any other right or remedy for Guarantor's benefit. Guarantor agrees that Buyer may proceed against Guarantor with respect to the Guarantied Obligations without taking any actions against Seller and without proceeding against or exhausting any Security. Guarantor agrees that Buyer may unqualifiedly exercise in its sole discretion (or may waive or release, intentionally or unintentionally) any or all rights and remedies available to it against Seller without impairing Buyer's rights and remedies in enforcing this Guaranty, under which Guarantor's liabilities shall remain independent and unconditional. Guarantor agrees and acknowledges that Buyer's exercise (or waiver or release) of certain of such rights or remedies may affect or eliminate Guarantor's right of subrogation or recovery against Seller (if any) and that Guarantor may incur a partially or totally nonreimbursable liability in performing under this Guaranty. Guarantor has assumed the risk of any such loss of subrogation rights, even if caused by Buyer's acts or omissions. If Buyer's enforcement of rights and remedies, or the manner thereof, limits or precludes Guarantor from exercising any right of subrogation that might otherwise exist, then the foregoing shall not in any way limit Buyer's rights to enforce this Guaranty. Without limiting the generality of any other waivers in this Guaranty, Guarantor expressly waives any statutory or other right (except as set forth herein) that Guarantor might otherwise have to: (i) limit Guarantor's liability after a nonjudicial foreclosure sale to the difference between the Guarantied Obligations and the fair market value of the property or interests sold at such nonjudicial foreclosure sale or to any other extent, (ii) otherwise limit Buyer's right to recover a deficiency judgment after any foreclosure sale, or (iii) require Buyer to exhaust its Security before Buyer may obtain a personal judgment for any deficiency. Any proceeds of a foreclosure or similar sale may be applied first to any obligations of Seller that do not also constitute Guarantied Obligations within the meaning of this Guaranty. Guarantor acknowledges and agrees that any nonrecourse or exculpation provided for in any Transaction Document, or any other provision of a Transaction Document limiting Buyer's recourse to specific Security or limiting Buyer's right to enforce

a deficiency judgment against Seller or any other person, shall have absolutely no application to Guarantor's liability under this Guaranty. To the extent that Buyer collects or receives any sums or payments from Seller or any proceeds of a foreclosure or similar sale, Buyer shall have the right, but not the obligation, to apply such amounts first to that portion of Seller's indebtedness and obligations to Buyer (if any) that is not covered by this Guaranty, regardless of the manner in which any such payments and/or amounts are characterized by the person making the payment.

8. ***Additional Waivers***. Guarantor waives diligence and all demands, protests, presentments and notices of every kind or nature, including notices of protest, dishonor, nonpayment, acceptance of this Guaranty and the creation, renewal, extension, modification or accrual of any of the Guarantied Obligations. Guarantor further waives the right to plead any and all statutes of limitations as a defense to Guarantor's liability under this Guaranty or the enforcement of this Guaranty. No failure or delay on Buyer's part in exercising any power, right or privilege under this Guaranty shall impair or waive any such power, right or privilege.

9. ***Other Actions Taken or Omitted***. Notwithstanding any other action taken or omitted to be taken with respect to the Transaction Documents, the Guarantied Obligations, or the Security, whether or not such action or omission prejudices Guarantor or increases the likelihood that Guarantor will be required to pay the Guarantied Obligations pursuant to the terms hereof, it is the unambiguous and unequivocal intention of Guarantor that Guarantor shall be obligated to pay the Guarantied Obligations when due, notwithstanding any occurrence, circumstance, event, action, or omission whatsoever, whether contemplated or uncontemplated, and whether or not otherwise or particularly described herein, which obligation shall be deemed satisfied as to any Guaranteed Obligation only upon the full and final payment and satisfaction of such Guarantied Obligations.

10. ***No Duty to Prove Loss***. To the extent that Guarantor at any time incurs any liability under this Guaranty following the occurrence of an Event of Default, Guarantor shall pay Buyer (to be applied on account of the Guarantied Obligations) the amount provided for in this Guaranty, without any requirement that Buyer demonstrate that the Security is inadequate for the Transactions; or that Buyer has currently suffered any loss; or that Buyer has otherwise exercised (to any degree) or exhausted any of Buyer's rights or remedies with respect to Seller or any Security.

11. ***Full Knowledge***. Guarantor acknowledges, represents, and warrants that Guarantor has had a full and adequate opportunity to review the Transaction Documents, the transactions contemplated by the Transaction Documents, and all underlying facts relating to such transactions. Guarantor represents and warrants that Guarantor fully understands: (a) the remedies Buyer may pursue against Seller and/or Guarantor in the event of a default under the Transaction Documents, (b) the value (if any) and character of any Security, and (c) Seller's financial condition and ability to perform under the Transaction Documents. Guarantor agrees to keep itself fully informed regarding all aspects of the foregoing and the performance of Seller's obligations to Buyer, it being acknowledged that Buyer has no duty, whether now or in the future, to disclose to Guarantor any such information. At any time provided for in the Transaction Documents, Guarantor agrees and acknowledges that an Insolvency Proceeding affecting Guarantor, or other actions or events relating to Guarantor (including Guarantor's failure to comply with the financial covenants in Section 5 of this Guaranty), in each case, as set forth in the Transaction Documents, may be event(s) of default under the Transaction Documents.

12. ***Representations and Warranties***. Each Guarantor acknowledges, represents and warrants as of the date hereof and as of each Purchase Date as follows, and acknowledges that Buyer is relying upon the following acknowledgments, representations, and warranties by Guarantor in entering into the Transactions:

(a) ***Due Execution; Enforceability***. The Guaranty has been duly executed and delivered by Guarantor, for good and valuable consideration. The Guaranty constitutes the legal, valid and binding obligations of Guarantor, enforceable against Guarantor in accordance with its respective terms subject to bankruptcy, insolvency, and other limitations on creditors' rights generally and to equitable principles.

(b) ***No Conflict***. The execution, delivery, and performance of this Guaranty will not conflict with or result in a breach of any of the terms, conditions or provisions of (i) the organizational documents of Guarantor, (ii) any contractual obligation to which Guarantor is now a party or by which it is otherwise bound or to which the assets of Guarantor are subject or constitute a default thereunder, or result in the creation or imposition of any Lien upon any of the assets of Guarantor thereunder, other than pursuant to this Guaranty, (iii) any judgment or order, writ, injunction, decree or demand of any court applicable to Guarantor, or (iv) any applicable requirement of law, in each case under the foregoing clauses (ii), (iii) and (iv), to the extent that such conflict or breach would have a material adverse effect upon Guarantor's ability to perform its obligations hereunder. Guarantor has all necessary licenses, permits and other consents from Governmental Authorities necessary for the performance of its obligations under this Guaranty.

(c) ***Litigation; Requirements of Law***. There is no action, suit, proceeding, investigation, or arbitration pending or, to the best knowledge of Guarantor, threatened against Seller, Guarantor or any of their respective assets, nor is there any action, suit, proceeding, investigation, or arbitration pending or, to the best knowledge of Guarantor, threatened against Guarantor which may result in any material adverse change in the business, operations, financial condition, properties, or assets of Seller or Guarantor, or which may have an adverse effect on the validity of the Guaranty or the Transaction Documents or the Purchased Loans or any action taken or to be taken in connection with the obligations of Guarantor under the Guaranty or of Seller under any of the Transaction Documents. Guarantor is in compliance in all material respects with all requirements of law applicable to Guarantor. Neither Seller nor Guarantor is in default in any material respect with respect to any judgment, order, writ, injunction, decree, rule or regulation of any arbitrator or Governmental Authority.

(d) ***No Third Party Consent Required***. No consent of any person (including creditors or partners, members, stockholders, or other owners of Guarantor), except those consents provided as of this date hereof, is required in connection with Guarantor's execution of this Guaranty or performance of Guarantor's obligations under this Guaranty. Guarantor's execution of, and obligations under, this Guaranty are not contingent upon any consent, license, permit, approval, or authorization of, exemption by, notice or report to, or registration, filing, or declaration with, any governmental authority, bureau, or agency, whether local, state, federal, or foreign.

(e) ***Authority and Execution***. Guarantor is duly formed and validly existing under the laws of the State of its formation and has full power, authority, and legal right to execute, deliver and perform its obligations under this Guaranty. Guarantor has taken all necessary organizational and legal action to authorize this Guaranty.

(f) ***No Representations by Buyer***. Guarantor delivers this Guaranty based solely upon Guarantor's own independent investigation and based in no part upon any representation or statement by Buyer.

13. ***No Misstatements***. No information, exhibit, report or certificate furnished by Guarantor to Buyer in connection with the Transactions or any Transaction Document contains any material misstatement of fact nor omits any fact necessary to make such information, exhibit, report, or certificate not materially misleading.

14. ***Reimbursement and Subrogation Rights***. Except to the extent that Buyer notifies Guarantor to the contrary in writing from time to time:

(a) ***General Deferral of Reimbursement***. Except to the extent set forth in Section 14(b) below, Guarantor waives any right to be reimbursed by Seller for any payment(s) made by Guarantor on account of the Guarantied Obligations, unless and until all Guarantied Obligations have been paid in full and all periods within which such payments may be set aside or invalidated have expired. Guarantor acknowledges that Guarantor has received adequate consideration for execution of this Guaranty by virtue of Buyer's entering into the Transactions (which benefit Guarantor, as a direct or indirect owner or principal of Seller) and Guarantor does not require or expect, and is not entitled to, any other right of reimbursement against Seller as consideration for this Guaranty.

(b) ***Deferral of Subrogation and Contribution***. Guarantor agrees that it shall not assert a right of subrogation against Seller or Buyer or against any Security unless and until: (a) such right of subrogation does not violate (or otherwise produce any result adverse to Buyer under) any applicable law, including any bankruptcy or insolvency law; (b) all amounts due under the Transaction Documents have been paid in full and all other performance required under the Transaction Documents has been rendered in full to Buyer; (c) all periods within which such payment may be set aside or invalidated have expired; and (d) Buyer has released, transferred or disposed of all of its right, title and interest in all Security (such deferral of Guarantor's subrogation and contribution rights, the "Subrogation Deferral").

(c) ***Effect of Invalidation***. To the extent that a court of competent jurisdiction determines that Guarantor's Subrogation Deferral is void or voidable for any reason, Guarantor agrees, notwithstanding any acts or omissions by Buyer that Guarantor's rights of subrogation against Seller or Buyer and Guarantor's right of subrogation against any Security shall at all times be junior and subordinate to Buyer's rights against Seller and to Buyer's right, title and interest in such Security.

(d) ***Claims in Insolvency Proceeding***. Guarantor shall not file any claim in any Insolvency Proceeding by or against Seller or Member unless Guarantor simultaneously assigns and transfers such claim to Buyer, without consideration, pursuant to documentation fully satisfactory to Buyer. Guarantor shall automatically be deemed to have assigned and transferred such claim to Buyer whether or not Guarantor executes documentation to such effect, and by executing this Guaranty hereby authorizes Buyer (and grants Buyer a power of attorney coupled with an interest, and hence irrevocable) to execute and file such assignment and transfer documentation on Guarantor's behalf. Buyer shall have the sole right to vote, receive distributions, and exercise all other rights with respect to any such claim; provided, however, that if and when the Guarantied Obligations have been paid in full Buyer shall release to Guarantor any further payments received on account of any such claim, and shall assign and transfer such claim back to Guarantor.

15. ***Waiver Disclosure***. Guarantor acknowledges that pursuant to this Guaranty, Guarantor has waived a substantial number of defenses that Guarantor might otherwise under some circumstance(s) be able to assert against Guarantor's liability to Buyer. Guarantor acknowledges and confirms that Guarantor has substantial experience as a sophisticated participant in substantial commercial real estate transactions (including financings) and is fully familiar with the legal consequences of signing this or any other guaranty. In addition, Guarantor is represented by competent counsel. Guarantor has consulted with such counsel and understands the nature, scope, and effect of the waivers contained in this Guaranty (a "Waiver Disclosure"). In the alternative, Guarantor has knowingly and intentionally waived obtaining a Waiver Disclosure. Accordingly Guarantor does not require or expect Buyer to provide a Waiver Disclosure. It is not necessary for Buyer or this Guaranty to provide or set forth any Waiver Disclosure, notwithstanding any principles of law to the contrary. Nevertheless, Guarantor specifically acknowledges that Guarantor is fully aware of the nature, scope, and effect of all waivers contained in this Guaranty, all of which have been fully disclosed to Guarantor. Guarantor acknowledges that as a result of the waivers contained in this Guaranty:

(a) ***Actions by Buyer***. Buyer will be able to take a wide range of actions relating to Seller, the Transactions, and the Transaction Documents, all without Guarantor's consent or notice to Guarantor. Guarantor's full and unconditional liability under this Guaranty will continue whether or not Guarantor has consented to such actions.

(b) ***Interaction with Seller Liability***. Guarantor shall be fully liable for all Guarantied Obligations even if the Transaction Documents are otherwise invalid, unenforceable, or subject to defenses available to Seller. Guarantor acknowledges that Guarantor's full and unconditional liability under this Guaranty (with respect to the Guarantied Obligations as if they were fully enforceable against Seller) will continue notwithstanding any such limitations on or impairment of Seller's liability.

(c) ***Timing of Enforcement***. Buyer will be able to enforce this Guaranty against Guarantor even though Buyer might also have available other rights and remedies that Buyer could conceivably enforce against the Security or against other parties. As a result, Buyer may require Guarantor to pay the Guarantied Obligations earlier than Guarantor would prefer to pay the Guarantied Obligations, including immediately upon the occurrence of an Event of Default by Seller. Guarantor will not be able to assert against Buyer various defenses, theories, excuses, or procedural requirements that might otherwise force Buyer to delay or defer the enforcement of this Guaranty against Guarantor. Guarantor acknowledges that Guarantor intends to allow Buyer to enforce the Guaranty against Guarantor in such manner. All of Guarantor's assets will be available to satisfy Buyer's claims against Guarantor under this Guaranty.

(d) ***Continuation of Liability***. Guarantor's liability for the Guarantied Obligations shall continue at all times until the Guarantied Obligations have actually been paid in full.

16. ***Buyer's Disgorgement of Payments***. Upon payment of all or any portion of the Guarantied Obligations, Guarantor's obligations under this Guaranty shall continue and remain in full force and effect at all times until the Guarantied Obligations have actually been paid in full, if all or any part of such payment is, pursuant to any Insolvency Proceeding or otherwise, avoided or recovered directly or indirectly from Buyer as a preference, fraudulent transfer, or otherwise, irrespective of (a) any notice of revocation given by Guarantor prior to such avoidance or recovery, or (b) payment in full of the Transactions. Subject to the foregoing, Guarantor's liability under this Guaranty shall continue until all periods have expired within which Buyer could (on account of any Insolvency Proceedings, whether or not then pending, affecting Seller or any other person) be required to return, repay, or disgorge any amount paid at any time on account of the Guarantied Obligations.

17. ***Financial Information; Notice of Default and Litigation***. To the extent not previously delivered by Seller, Guarantor shall deliver to Buyer the financial and reporting information described in and required by Section 11(i) of the Repurchase Agreement with respect to Guarantor on or before the dates set forth therein. To the extent that Seller has not previously provided notice of same to Buyer, Guarantor shall promptly, and in any event (a) within three (3) Business Days after Guarantor's knowledge thereof, notify Buyer of any default on the part of Guarantor under any Indebtedness which could give rise to an Event of Default, and (b) within three (3) Business Days after service of process or Guarantor's knowledge thereof, notify Buyer of the commencement, or threat in writing of, any action, suit, proceeding, investigation or arbitration involving Guarantor or any of its Affiliates or assets or any judgment in any action, suit, proceeding, investigation or arbitration involving Guarantor or any of its Affiliates or assets, which in any of the foregoing cases (i) relates to any Purchased Loan, (ii) questions or challenges the validity or enforceability of any Transaction or Transaction Document, (iii) makes a claim or claims against Guarantor in an aggregate amount in excess of $5,000,000 or (iv) that, individually or in the aggregate, if adversely determined, could be reasonably likely to have a Material Adverse Effect.

18. ***No Right to Set Off***. Except as otherwise expressly provided in this Section 18 or as provided in Section 22(d) of the Repurchase Agreement, Buyer, solely in its capacity as Buyer under the Transaction Documents, hereby waives any right of set-off it may have or to which it may be or become entitled under the Transaction Documents or, solely to the extent related to the Transaction Documents, requirements of law, against Guarantor. Notwithstanding the foregoing, upon the occurrence and during the continuance of any Event of Default, Buyer is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all amounts owing by Buyer or any Affiliate of Buyer under any Affiliated Hedging Transaction to or for the credit or the account of Guarantor or its Affiliates against any and all of the obligations of Guarantor now or hereafter existing under this Guaranty (or against any obligations of Guarantor or its Affiliates under any other Affiliated Hedging Transactions), irrespective of whether or not Buyer shall have made any demand under this Guaranty (or Buyer or its Affiliate shall have made any demand under any such other Affiliated Hedging Transaction) and although such obligations may be contingent and unmatured. Buyer agrees promptly to notify Guarantor after any such set-off and application, provided that the failure to give such notice shall not affect the validity of such set-off and application or this Guaranty. The rights of Buyer under this Section 18 are in addition to other rights and remedies (including, without limitation, other rights to set-off) which Buyer may have.

19. ***Consent to Jurisdiction***. Guarantor agrees that any Proceeding to enforce this Guaranty may be brought in any state or federal court located in New York City, New York. By executing this Guaranty, Guarantor irrevocably accepts and submits to the exclusive personal jurisdiction of each of the aforesaid courts, generally and unconditionally with respect to any such Proceeding. Guarantor agrees not to assert any basis for transferring jurisdiction of any such proceeding to another court. Guarantor further agrees that a final judgment against Guarantor in any Proceeding shall be conclusive evidence of Guarantor's liability for the full amount of such judgment.

20. ***Merger; No Conditions; Amendments***. This Guaranty and documents referred to herein contain the entire agreement among the parties with respect to the matters set forth in this Guaranty. This Guaranty supersedes all prior agreements among the parties with respect to the matters set forth in this Guaranty. No course of prior dealings among the parties, no usage of trade, and no parol or extrinsic evidence of any nature shall be used to supplement, modify, or vary any terms of this Guaranty. This Guaranty is unconditional. There are no unsatisfied conditions to the full effectiveness of this Guaranty. No terms or provisions of this Guaranty may be changed, waived, revoked, or amended without Buyer's written agreement. If any provision of this Guaranty is determined to be unenforceable, then all other provisions of this Guaranty shall remain fully effective.

21. ***Enforcement***. Guarantor acknowledges that this Guaranty is an "instrument for the payment of money only," within the meaning of New York Civil Practice Law and Rules Section 3213. In the event of any Proceeding between Seller or Guarantor and Buyer, including any Proceeding in which Buyer enforces or attempts to enforce this Guaranty or the Transactions against Seller or Guarantor, or in the event of any Guarantor Litigation, Guarantor shall reimburse Buyer for all Costs of such Proceeding.

22. ***Fundamental Changes***. Guarantor shall not wind up, liquidate, or dissolve its affairs or enter into any transaction of merger or consolidation, or sell, lease, or otherwise dispose of (or agree to do any of the foregoing) all or substantially all of its property or assets, without Buyer's prior written consent, except that so long as no Event of Default exists or would result therefrom, Guarantor may merge into or consolidate with another Person so long as (a) such merger or consolidation would not result in a Change of Control, (b) the continuing or surviving Person is Guarantor, and (c) immediately following such merger or consolidation, the majority of the members of the board of directors (or the applicable equivalent) of the continuing or surviving Person are the same as the majority of the members of the board of directors (or applicable equivalent) of Guarantor immediately prior to such merger or consolidation.

23. ***Further Assurances***. Guarantor shall execute and deliver such further documents, and perform such further acts, as Buyer may reasonably request to achieve the intent of the parties as expressed in this Guaranty, provided in each case that any such documentation is consistent with this Guaranty and with the Transaction Documents.

24. ***Certain Entities***. If Seller or Guarantor is a partnership, limited liability company, or other unincorporated association, then: (a) Guarantor's liability shall not be impaired by changes in the name or composition of Seller or Guarantor; and (b) the withdrawal or removal of any partner(s) or member(s) of Seller or Guarantor shall not diminish Guarantor's liability or (if Guarantor is a partnership) the liability of any withdrawing general partners of Guarantor.

25. ***Counterparts***. This Guaranty may be executed in counterparts each of which so executed shall be deemed to be an original, but all of such counterparts shall together constitute but one and the same instrument. Delivery by telecopier or other electronic transmission (including a .pdf e-mail transmission) of an executed counterpart of a signature page to this Guaranty shall be effective as delivery of an original executed counterpart of this Guaranty.

26. ***WAIVER OF TRIAL BY JURY***. GUARANTOR WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING ARISING FROM OR RELATING TO THIS GUARANTY OR THE TRANSACTION DOCUMENTS OR ANY OBLIGATION(S) OF GUARANTOR HEREUNDER OR UNDER THE TRANSACTION DOCUMENTS.

27. ***Miscellaneous***.

(a) ***Assignability***. Buyer may assign the rights under this Guaranty (in whole or in part) together with any one or more of the Transaction Documents in accordance with Section 18 of the Repurchase Agreement without in any way affecting Guarantor's liability. Upon request in connection with any such assignment Guarantor shall deliver such documentation as Buyer shall reasonably request. This Guaranty shall benefit Buyer and its successors and assigns and shall bind Guarantor and its heirs, executors, administrators, successors and assigns. Guarantor may not assign this Guaranty in whole or in part without the prior written consent of Buyer.

(b) ***Notices***. All notices, requests, and demands to be made under this Guaranty shall be given in writing and shall be effective for all purposes if hand delivered or sent by (a) hand delivery, with proof of attempted delivery, (b) certified or registered United States mail, postage prepaid, (c) expedited prepaid delivery service, either commercial or United States Postal Service, with proof of attempted delivery, or (d) by email provided that such email notice must also be delivered by one of the means set forth in (a), (b) or (c) above, to the address set forth in Annex I attached to this Guaranty or at such other address and person as shall be designated from time to time by any party hereto, as the case may be, in a written notice to the other parties hereto in the manner provided for in this Section 27(b). A notice shall be deemed to have been given: (a) in the case of hand delivery, at the time of delivery, (b) in the case of registered or certified mail, when delivered on a Business Day, (c) in the case of expedited prepaid delivery upon delivery on a Business Day, or (d) in the case of email, upon delivery such email; provided that (i) such email notice was also delivered by one of the means set forth in (a), (b) or (c) above (which may arrive after such email), and (ii) the transmitting party did not receive an electronic notice of a transmission failure. A party receiving a notice which does not comply with the technical requirements for notice under this Section may elect to waive any deficiencies and treat the notice as having been properly given.

(c) ***Interpretation***. This Guaranty shall be enforced and interpreted according to the laws of the State, including Section 5-1401 of the General Obligations Law, but otherwise disregarding its rules on conflicts of laws. The word "include" and its variants shall be interpreted in each case as if followed by the words "without limitation."

28. ***Business Purposes***. Guarantor acknowledges that this Guaranty is executed and delivered for business and commercial purposes, and not for personal, family, household, consumer, or agricultural purposes. Guarantor acknowledges that Guarantor is not entitled to, and does not require the benefits of, any rights, protections, or disclosures that would or may be required if this Guaranty were given for personal, family, household, consumer, or agricultural purposes. Guarantor acknowledges that none of Guarantor's obligation(s) under this Guaranty constitute(s) a "debt" within the meaning of the United States Fair Debt Collection Practices Act, 15 U.S.C. § 1692a(5), and accordingly compliance with the requirements of such Act is not required if Buyer (directly or acting through its counsel) makes any demand or commences any action to enforce this Guaranty.

29. ***No Third-Party Beneficiaries***. This Guaranty is executed and delivered for the benefit of Buyer and its successors and assigns, and is not intended to benefit any third party.

30. ***CERTAIN ACKNOWLEDGMENTS BY GUARANTOR.*** GUARANTOR ACKNOWLEDGES THAT BEFORE EXECUTING THIS GUARANTY: (A) GUARANTOR HAS HAD THE OPPORTUNITY TO REVIEW IT WITH AN ATTORNEY OF GUARANTOR'S CHOICE; (B) BUYER HAS RECOMMENDED TO GUARANTOR THAT GUARANTOR OBTAIN SEPARATE COUNSEL, INDEPENDENT OF SELLER'S COUNSEL, REGARDING THIS GUARANTY; AND (C) GUARANTOR HAS CAREFULLY READ THIS GUARANTY AND UNDERSTOOD THE MEANING AND EFFECT OF ITS TERMS, INCLUDING ALL WAIVERS AND ACKNOWLEDGMENTS CONTAINED IN THIS GUARANTY AND THE FULL EFFECT OF SUCH WAIVERS AND THE SCOPE OF GUARANTOR'S OBLIGATIONS UNDER THIS GUARANTY.

31. ***Amendment and Restatement***. From and after the date hereof, the Original Guaranty shall be amended, restated and superseded in its entirety by this Guaranty and Buyer hereby releases Original Guarantor from all liability relating to the payments, covenants, conditions, stipulations and other obligations contained in or arising under the Original Guaranty, except for any liability which may have accrued prior to the date hereof against Original Guarantor under the Original Guaranty for which a claim has been made prior to the date hereof. Each reference to the Original Guaranty in any other document, instrument or agreement shall mean and be a reference to this Guaranty, and this Guaranty shall supersede the Original Guaranty in all respects.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, Guarantor has duly executed this Guaranty as of the day first written above.

GUARANTOR:

CREDIT RE OPERATING COMPANY, LLC,
a Delaware limited liability company

By: /s/ David A. Palamé
Name: David A. Palamé
Title: Vice President

ACCEPTED AND AGREED:

BUYER:

DEUTSCHE BANK AG, CAYMAN ISLANDS BRANCH

By: /s/ Dean Aotani
Name: Dean Aotani
Title: Managing Director

By: /s/ R. Christopher Jones
Name: R. Christopher Jones
Title: Director

ANNEX I

Address for Notices to Guarantor:

c/o Colony NorthStar, Inc.
590 Madison Avenue, 34th Floor
New York, New York 10022
Attention: David A. Palamé
Telecopy: (646) 837-5323
Email: dpalame@clns.com

With copies to:

Ropes & Gray LLP
1211 Avenue of the Americas
New York, New York 10036
Attention: Daniel L. Stanco, Esq.
Telecopy: (646) 728-1677
Email: daniel.stanco@ropesgray.com

Address for Notices to Buyer:

Deutsche Bank AG, Cayman Islands Branch
60 Wall Street
New York, New York 10005
Attention: Dean Aotani
Telephone: (212) 250-6870
Telecopy: (212) 797-5630
Email: dean.aotani@db.com

With copies to:

Deutsche Bank AG, Cayman Islands Branch
60 Wall Street
New York, New York 10005
Attention: General Counsel

and

Deutsche Bank AG, Cayman Islands Branch
60 Wall Street
New York, New York 10005
Attention: Robert W. Pettinato Jr.
Telephone: (212) 797-0286
Telecopy: (212) 797-5630
Email: robert.pettinato@db.com

and

Sidley Austin LLP
787 Seventh Avenue
New York, New York 10019
Attention: Robert L. Boyd, Esq.
Telephone: (212) 839-7352
Fax: (212) 839-5599
Email: rboyd@sidley.com

Exhibit 31.1

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER PURSUANT TO
17 CFR 240.13a-14(a)/15(d)-14(a),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Kevin P. Traenkle, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Colony NorthStar Credit Real Estate, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(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.

By: /s/ Kevin P. Traenkle

Kevin P. Traenkle

Chief Executive Officer and President

Date: May 14, 2018

Exhibit 31.2

CERTIFICATION BY THE CHIEF FINANCIAL OFFICER PURSUANT TO
17 CFR 240.13a-14(a)/15(d)-14(a),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Sujan S. Patel, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Colony NorthStar Credit Real Estate, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(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.

By: /s/ Sujan S. Patel

Sujan S. Patel

Chief Financial Officer and Treasurer

Date: May 14, 2018

Exhibit 32.1

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Colony NorthStar Credit Real Estate, Inc. (the "Company") for the quarterly period ended March 31, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Kevin P. Traenkle, as Chief Executive Officer and President of the Company, hereby certifies, pursuant to 18 U.S.C. Section §1350, as adopted pursuant to Section §906 of the Sarbanes-Oxley Act of 2002, that, 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.

By: /s/ KEVIN P. TRAENKLE
Kevin P. Traenkle
Chief Executive Officer and President
Date: May 14, 2018

The foregoing certification is being furnished solely pursuant to 18 U.S.C §1350 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended or incorporated by reference in any registration statement of the Company filed under the Securities Act of 1933, as amended.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION BY THE CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Colony NorthStar Credit Real Estate, Inc. (the "Company") for the quarterly period ended March 31, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Sujan S. Patel, as Chief Financial Officer and Treasurer of the Company, hereby certifies, pursuant to 18 U.S.C. Section §1350, as adopted pursuant to Section §906 of the Sarbanes-Oxley Act of 2002, that, 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.

By: /s/ SUJAN S. PATEL
Sujan S. Patel
Chief Financial Officer and Treasurer
Date: May 14, 2018

The foregoing certification is being furnished solely pursuant to 18 U.S.C §1350 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended or incorporated by reference in any registration statement of the Company filed under the Securities Act of 1933, as amended.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.