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, 2020

OR

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

Commission File Number: 001-38377

COLONY 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)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value $0.01 per share	**CLNC**	**New York Stock Exchange**

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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	☒	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company ☐ Emerging growth company ☐	

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ 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 7, 2020, Colony Credit Real Estate, Inc. had 128,488,858 shares of Class A common stock, par value $0.01 per share, outstanding

EXPLANATORY NOTE

This Quarterly Report on Form 10-Q of Colony 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 ("CLNY 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 CLNY OP or its subsidiaries (the "CLNY 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) CLNY OP, a Delaware limited liability company and the operating company of Colony Capital, Inc., formerly Colony NorthStar, Inc. ("Colony Capital"), a Maryland corporation, (iv) NRF RED REIT Corp., a Maryland corporation and indirect subsidiary of CLNY 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) CLNY OP contributed and conveyed to the Company a select portfolio of assets and liabilities (the "CLNY Contributed Portfolio") of CLNY OP (the "CLNY 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 CLNY OP Contribution, the "CLNY 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 CLNY 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 CLNY 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 (the "Class A common stock"), be approved for listing on a national securities exchange in connection with either an initial public offering or a listing, the 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 CLNY Contributions were accounted for as a reorganization of entities under common control, since both the Company and CLNY Investment Entities were under common control of Colony Capital at the time the contributions were made. Accordingly, the Company's financial statements for prior periods were recast to reflect the consolidation of the CLNY 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 Credit Real Estate, Inc. and the consolidated CLNY Investment Entities for periods on or prior to the closing of the Combination on January 31, 2018; and
- The combined operations of Colony 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 CLNY Investment Entities represents only a portion of the assets and liabilities Colony 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 for the year ended December 31, 2019 included in our Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (the "SEC") on February 28, 2020.

COLONY CREDIT REAL ESTATE, INC.

FORM 10-Q

TABLE OF CONTENTS

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.

Currently, one of the most significant factors that could cause actual outcomes to differ materially from our forward-looking statements is the potential adverse effect of the current pandemic of the novel coronavirus, or COVID-19, on the financial condition, results of operations, cash flows and performance of the Company, its borrowers and tenants, the real estate market and the global economy and financial markets. The extent to which COVID-19 pandemic impacts us, our borrowers and our tenants will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact, and the direct and indirect economic effects of the pandemic and containment measures, among others. Moreover, investors are cautioned to interpret many of the risks identified under the section titled “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2019 as being heightened as a result of the ongoing and numerous adverse impacts of the COVID-19 pandemic.

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;
- uncertainties regarding the ongoing impact of COVID-19, the severity of the disease, the duration of the COVID-19 outbreak, actions that may be taken by governmental authorities to contain the COVID-19 outbreak or to treat its impact, the potential negative impacts of COVID-19 on the global economy and its adverse impact on the real estate market, the economy and our investments, financial condition and business operations;
- defaults by borrowers in paying debt service on outstanding indebtedness and borrowers’ abilities to manage and stabilize properties;
- deterioration in the performance of the properties securing our investments (including depletion of interest and other reserves or payment-in-kind concessions in lieu of current interest payment obligations) that may cause deterioration in the performance of our investments and, potentially, principal losses to us;
- the fair value of our investments may be subject to uncertainties;
- our use of leverage could hinder our ability to make distributions and may significantly impact our liquidity position;
- given our dependence on our external manager, an affiliate of Colony Capital, Inc., any adverse changes in the financial health or otherwise of our manager or Colony Capital, Inc. could hinder our operating performance and return on stockholder’s investment;
- the ability to realize substantial efficiencies as well as anticipated strategic and financial benefits, including, but not limited to expected returns on equity and/or yields on investments;
- adverse impacts on our corporate revolver, including covenant compliance and borrowing base capacity;
- adverse impacts on our liquidity, including margin calls on master repurchase facilities, debt service or lease payment defaults or deferrals, demands for protective advances and capital expenditures, or our ability to continue to generate liquidity from sales of legacy, non-strategic assets;
- our ability to liquidate our legacy, non-strategic assets within the projected timeframe or at the projected values;
- the timing of and ability to deploy available capital;
- our ability to pay, maintain or grow the dividend in the future;
- the timing of and ability to complete repurchases of our stock;
- our ability to refinance certain mortgage debt on similar terms to those currently existing or at all;
- whether Colony Capital will continue to serve as our external manager or whether we will pursue a strategic transaction related thereto; and the impact of legislative, regulatory and competitive changes
- and the actions of governmental authorities, including the current U.S. presidential administration, and in particular those affecting the commercial real estate finance and mortgage industry or our business.

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, 2019, the section entitled “Risk Factors” in this Form 10-Q for the quarter ended March 31, 2020 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

Item 1. Financial Statements

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

	March 31, 2020 (Unaudited)	December 31, 2019
Assets		
Cash and cash equivalents	$ 393,845	$ 69,619
Restricted cash	159,521	126,065
Loans and preferred equity held for investment, net[(1)]	2,351,278	2,576,332
Real estate securities, available for sale, at fair value	179,572	252,824
Real estate, net	1,226,988	1,484,796
Investments in unconsolidated ventures ($8,764 and $10,283 at fair value, respectively)	585,994	595,305
Receivables, net	41,569	46,456
Deferred leasing costs and intangible assets, net	98,507	112,762
Assets held for sale	270,680	189,470
Other assets	62,643	87,707
Mortgage loans held in securitization trusts, at fair value	1,822,991	1,872,970
Total assets	$ 7,193,588	$ 7,414,306
Liabilities		
Securitization bonds payable, net	$ 833,671	$ 833,153
Mortgage and other notes payable, net	1,152,851	1,256,112
Credit facilities	1,260,419	1,099,233
Due to related party (Note 10)	10,766	11,016
Accrued and other liabilities	145,956	140,424
Intangible liabilities, net	10,548	22,149
Liabilities related to assets held for sale	10,842	294
Escrow deposits payable	49,499	74,497
Dividends payable	13,147	13,164
Mortgage obligations issued by securitization trusts, at fair value	1,732,388	1,762,914
Total liabilities	5,220,087	5,212,956
Commitments and contingencies (Note 16)		
Equity		
Stockholders' equity		
Preferred stock, $0.01 par value, 50,000,000 shares authorized, no shares issued and outstanding as of March 31, 2020 and 2019	—	—
Common stock, $0.01 par value per share		
Class A, 950,000,000 shares authorized, 128,366,427 and 128,538,703 shares issued and outstanding as of March 31, 2020 and December 31, 2019, respectively	1,284	1,285
Additional paid-in capital	2,907,796	2,909,181
Accumulated deficit	(959,695)	(819,738)
Accumulated other comprehensive income (loss)	(42,705)	28,294
Total stockholders' equity	1,906,680	2,119,022
Noncontrolling interests in investment entities	21,141	31,631
Noncontrolling interests in the Operating Partnership	45,680	50,697
Total equity	1,973,501	2,201,350
Total liabilities and equity	$ 7,193,588	$ 7,414,306

(1) Net of $52.2 million and $272.6 million of allowance for loan losses at March 31, 2020 and December 31, 2019, respectively. See Note 3, "Loans and Preferred Equity Held for Investments, net and Loans Held for Sale" for further details.

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

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

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

	March 31, 2020 (Unaudited)	December 31, 2019
Assets		
Cash and cash equivalents	$ 11,965	$ 14,109
Restricted cash	15,737	25,646
Loans and preferred equity held for investment, net	994,306	1,016,781
Real estate, net	178,123	381,608
Receivables, net	20,668	26,044
Deferred leasing costs and intangible assets, net	26,638	36,323
Assets held for sale	210,434	102,397
Other assets	24,867	26,463
Mortgage loans held in securitization trusts, at fair value	1,822,991	1,872,970
Total assets	$ 3,305,729	$ 3,502,341
Liabilities		
Securitization bonds payable, net	$ 833,671	$ 833,153
Mortgage and other notes payable, net	297,286	341,480
Credit facilities	24,847	23,882
Accrued and other liabilities	100,764	124,969
Intangible liabilities, net	8,751	20,230
Liabilities related to assets held for sale	10,842	251
Escrow deposits payable	4,128	10,485
Mortgage obligations issued by securitization trusts, at fair value	1,732,388	1,762,914
Total liabilities	$ 3,012,677	$ 3,117,364

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

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

	Three Months Ended March 31,	
	2020	**2019**
Net interest income		
Interest income	$ 46,104	$ 38,409
Interest expense	(20,744)	(19,292)
Interest income on mortgage loans held in securitization trusts	20,555	38,476
Interest expense on mortgage obligations issued by securitization trusts	(18,059)	(35,635)
Net interest income	27,856	21,958
Property and other income		
Property operating income	52,513	63,134
Other income	9,409	177
Total property and other income	61,922	63,311
Expenses		
Management fee expense	7,946	11,358
Property operating expense	22,531	28,180
Transaction, investment and servicing expense	3,134	529
Interest expense on real estate	13,078	13,607
Depreciation and amortization	17,976	27,662
Provision for loan losses	69,932	—
Impairment of operating real estate	4,126	—
Administrative expense (including $342 and $1,843 of equity-based compensation expense, respectively)	7,038	6,653
Total expenses	145,761	87,989
Other income (loss)		
Unrealized gain (loss) on mortgage loans and obligations held in securitization trusts, net	(19,452)	1,029
Realized gain on mortgage loans and obligations held in securitization trusts, net	—	48
Other loss, net	(20,162)	(5,079)
Loss before equity in earnings of unconsolidated ventures and income taxes	(95,597)	(6,722)
Equity in earnings of unconsolidated ventures	17,167	21,310
Income tax benefit (expense)	(1,711)	369
Net income (loss)	(80,141)	14,957
Net (income) loss attributable to noncontrolling interests:		
Investment entities	(523)	298
Operating Partnership	1,892	(347)
Net income (loss) attributable to Colony Credit Real Estate, Inc. common stockholders	$ (78,772)	$ 14,908
Net income (loss) per common share - basic and diluted (Note 18)	$ (0.62)	$ 0.11
Weighted average shares of common stock outstanding - basic and diluted (Note 18)	128,487	127,943

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

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

	Three Months Ended March 31,	
	2020	**2019**
Net income (loss)	$ (80,141)	$ 14,957
Other comprehensive income (loss)		
Unrealized gain (loss) on real estate securities, available for sale	(75,029)	9,758
Change in fair value of net investment hedges	21,764	7,395
Foreign currency translation loss	(19,436)	(3,310)
Total other comprehensive income (loss)	(72,701)	13,843
Comprehensive income (loss)	(152,842)	28,800
Comprehensive (income) loss attributable to noncontrolling interests:		
Investment entities	(523)	298
Operating Partnership	3,594	(671)
Comprehensive income (loss) attributable to common stockholders	$ (149,771)	$ 28,427

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

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

	Common Stock										
	Class A		Class B-3		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income	Total Stockholders' Equity	Noncontrolling Interests in Investment Entities	Noncontrolling Interests in the Operating Partnership	Total Equity
	Shares	Amount	Shares	Amount							
Balance as of December 31, 2018	83,410	$ 834	44,399	$ 444	$2,899,353	$ (193,327)	$ (399)	$ 2,706,905	$ 72,683	$ 65,614	$ 2,845,202
Contributions	—	—	—	—	—	—	—	—	24	—	24
Distributions	—	—	—	—	—	—	—	—	(394)	—	(394)
Adjustments related to the Combination	—	—	—	—	—	—	—	—	—	—	—
Conversion of Class B-3 common stock to Class A common stock	44,399	444	(44,399)	(444)	—	—	—	—	—	—	—
Issuance and amortization of equity-based compensation	800	8	—	—	1,835	—	—	1,843	—	—	1,843
Other comprehensive loss	—	—	—	—	—	—	13,519	13,519	—	324	13,843
Dividends and distributions declared ($0.44 per Class A share and $0.15 per Class B-3 share)	—	—	—	—	—	(55,726)	—	(55,726)	—	(1,340)	(57,066)
Shares canceled for tax withholding on vested stock awards	(96)	(1)	—	—	(1,496)	—	—	(1,497)	—	—	(1,497)
Reallocation of equity	—	—	—	—	(23)	—	—	(23)	—	23	—
Net income (loss)	—	—	—	—	—	14,908	—	14,908	(298)	347	14,957
Balance as of March 31, 2019	128,513	$1,285	—	$ —	$2,899,669	$ (234,145)	$ 13,120	$ 2,679,929	$ 72,015	$ 64,968	$ 2,816,912
Balance as of December 31, 2019	128,539	$1,285	—	$ —	$2,909,181	$ (819,738)	$ 28,294	$ 2,119,022	$ 31,631	$ 50,697	$ 2,201,350
Contributions	—	—	—	—	—	—	—	—	—	—	—
Distributions	—	—	—	—	—	—	—	—	(11,013)	—	(11,013)
Conversion of Class B-3 common stock to Class A common stock	—	—	—	—	—	—	—	—	—	—	—
Issuance and amortization of equity-based compensation	—	—	—	—	342	—	—	342	—	—	342
Other comprehensive income	—	—	—	—	—	—	(70,999)	(70,999)	—	(1,702)	(72,701)
Dividends and distributions declared ($0.30 per share)	—	—	—	—	—	(38,541)	—	(38,541)	—	(922)	(39,463)
Shares canceled for tax withholding on vested stock awards	(173)	(1)	—	—	(1,686)	—	—	(1,687)	—	—	(1,687)
Reallocation of equity	—	—	—	—	(41)	—	—	(41)	—	41	—
Effect of CECL adoption (see Note 2)	—	—	—	—	—	(22,644)	—	(22,644)	—	(542)	(23,186)
Net income (loss)	—	—	—	—	—	(78,772)	—	(78,772)	523	(1,892)	(80,141)
Balance as of March 31, 2020	128,366	$1,284	—	$ —	$2,907,796	$ (959,695)	$ (42,705)	$ 1,906,680	$ 21,141	$ 45,680	$ 1,973,501

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

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

	Three Months Ended March 31,	
	2020	**2019**
Cash flows from operating activities:		
Net income (loss)	$ (80,141)	$ 14,957
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Equity in earnings of unconsolidated ventures	(17,167)	(21,310)
Depreciation and amortization	17,976	27,662
Straight-line rental income	(1,426)	(1,732)
Amortization of above/below market lease values, net	(404)	(612)
Amortization of premium/accretion of discount and fees on investments and borrowings, net	(3,992)	(2,582)
Amortization of deferred financing costs	3,582	2,029
Amortization of right-of-use lease assets and operating lease liabilities	24	25
Paid-in-kind interest added to loan principal, net of interest received	(3,171)	(3,258)
Distributions of cumulative earnings from unconsolidated ventures	9,326	18,492
Unrealized gain on mortgage loans and obligations held in securitization trusts, net	19,452	(1,029)
Realized (gain) loss on mortgage loans and obligations held in securitization trusts, net	—	(48)
Provision for loan losses	69,932	—
Impairment of operating real estate	4,126	—
Amortization of equity-based compensation	342	1,843
Mortgage notes above/below market value amortization	(255)	87
Deferred income tax (benefit) expense	(788)	(2,693)
Other loss	20,452	—
Changes in assets and liabilities:		
Receivables, net	6,511	(4,200)
Deferred costs and other assets	16,680	4,778
Due to related party	(250)	(1,169)
Other liabilities	(3,605)	6,438
Net cash provided by operating activities	57,204	37,678
Cash flows from investing activities:		
Acquisition, origination and funding of loans and preferred equity held for investment, net	(37,452)	(241,693)
Repayment on loans and preferred equity held for investment	160,069	172,686
Repayment on loans held for sale	450	—
Proceeds from sale of real estate	160,830	—
Acquisition of and additions to real estate, related intangibles and leasing commissions	(11,325)	(6,242)
Investments in unconsolidated ventures	(16,748)	(5,182)
Proceeds from sale of investments in unconsolidated ventures	1,795	34,475
Distributions in excess of cumulative earnings from unconsolidated ventures	16,528	65,836
Repayment of principal in mortgage loans held in securitization trusts	6,577	—
Net receipts on settlement of derivative instruments	19,637	1,638
Deposit on investments	—	(352)
Change in escrow deposits	(24,998)	(2,322)
Net cash provided by investing activities	275,363	18,844
Cash flows from financing activities:		
Distributions paid on common stock	(38,558)	(55,629)
Distributions paid on common stock to noncontrolling interests	(922)	(1,340)
Shares canceled for tax withholding on vested stock awards	(1,688)	—
Borrowings from mortgage notes	2,280	22,174
Repayment of mortgage notes	(76,585)	(1,509)
Borrowings from credit facilities	249,991	714,615
Repayment of credit facilities	(88,804)	(695,260)
Repayment of securitization bonds	—	(27,709)
Repayment of mortgage obligations issued by securitization trusts	(6,577)	—
Payment of deferred financing costs	(1,600)	(1,593)
Contributions from noncontrolling interests	—	24
Distributions to noncontrolling interests	(11,013)	(394)
Net cash provided by (used in) financing activities	26,524	(46,621)

Effect of exchange rates on cash, cash equivalents and restricted cash	(1,409)	(7)
Net increase (decrease) in cash, cash equivalents and restricted cash	357,682	9,894
Cash, cash equivalents and restricted cash - beginning of period	195,684	187,463
Cash, cash equivalents and restricted cash - end of period	$ 553,366	$ 197,357

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

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

	Three Months Ended March 31,	
	2020	**2019**
Reconciliation of cash, cash equivalents, and restricted cash to consolidated balance sheets		
Beginning of the period		
Cash and cash equivalents	$ 69,619	$ 77,317
Restricted cash	126,065	110,146
Total cash, cash equivalents and restricted cash, beginning of period	$ 195,684	$ 187,463
End of the period		
Cash and cash equivalents	$ 393,845	$ 89,916
Restricted cash	159,521	107,441
Total cash, cash equivalents and restricted cash, end of period	$ 553,366	$ 197,357

	Three Months Ended March 31,	
	2020	**2019**
Supplemental disclosure of non-cash investing and financing activities:		
Consolidation of securitization trust (VIE asset/liability additions)	—	24,393
Accrual of distribution payable	(17)	19,083
Foreclosure of loans held for investment, net of provision for loan losses	—	105,437
Right-of-use lease assets and operating lease liabilities	(730)	16,959
PE Investments sale proceeds receivable	—	14,453
Conversion of Class B-3 common stock to Class A common stock	—	444
Due to Manager for share repurchases	—	1,497

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

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

1. Business and Organization

Colony Credit Real Estate, Inc. (together with its consolidated subsidiaries, 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") (including the junior tranches thereof, 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 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 elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the "Code"), beginning with its taxable year ended December 31, 2018. Effective June 25, 2018, the Company changed its name from Colony NorthStar Credit Real Estate, Inc. to Colony Credit Real Estate, Inc. Also on June 25, 2018, Colony NorthStar, Inc. changed its name to Colony Capital, Inc. 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, 2020, the Company owned 97.7% of the OP, as its sole managing member. The remaining 2.3% is owned 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 ("CLNY OP"), a Delaware limited liability company and the operating company of Colony Capital. Colony Capital 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) CLNY OP contributed and conveyed to the Company a select portfolio of assets and liabilities (the "CLNY OP Contributed Portfolio") of CLNY OP (the "CLNY OP Contribution"), (ii) NRF RED REIT Corp., a Maryland corporation and indirect subsidiary of CLNY 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 CLNY OP Contributed Portfolio, the "CLNY Contributed Portfolio") of RED REIT (the "RED REIT Contribution" and, together with the CLNY OP Contribution, the "CLNY Contributions"), (iii) NorthStar Real Estate Income Trust, Inc. ("NorthStar I"), a publicly registered non-traded REIT sponsored and managed by a subsidiary of Colony Capital, merged with and into the Company, with the Company surviving the merger (the "NorthStar I Merger"), (iv) NorthStar Real Estate Income II, Inc. ("NorthStar II"), a publicly registered non-traded REIT sponsored and managed by a subsidiary of Colony Capital, 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 CLNY 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 CLNY 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, par value $0.01 per share (the "Class A common stock"), began trading on the New York Stock Exchange ("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.

Segment Realignment

During the third quarter of 2019, the Company realigned the business and reportable segment information to reflect how the Chief Operating Decision Makers ("CODM") regularly review and manage the business. Refer to Note 17, "Segment Reporting" for further detail.

Impact of COVID-19

At the time of preparation of the first quarter 2020 financial statements, the world is facing a global pandemic, the coronavirus disease 2019, or COVID-19. Efforts to address the pandemic, such as social distancing, closures or reduced capacity of retail and service outlets, hotels, factories and public venues, often mandated by governments, are having a significant impact on the global economy and financial markets across major industries, including many sectors of real estate. Specifically, the Company's loans and preferred equity held for investment and real estate investments in the hospitality and retail sectors have experienced or anticipate a myriad of challenges, including, but not limited to: significant declines in operating cash flows at the Company's retail and hospitality properties which in turn affect their ability to meet debt service and covenant requirements on investment-level debt (non-recourse to the Company); flexible lease payment terms sought by tenants; potential payment defaults on the Company's loans and preferred equity held for investment; and a distressed market affecting real estate values in general. As the timing of many of the closures and ensuing economic turmoil did not occur until late in the first quarter of 2020, the effects of COVID-19 on the Company's business were not material and adverse in the first quarter of 2020.

However, the Company anticipates more pronounced and material effects on the Company's financial condition and results of operations in future periods, beginning with the second quarter of 2020.

The sharp decline and volatility in equity and debt markets, and the challenges faced by the Company as a result of the economic fallout from COVID-19 have affected valuation of the Company's financial assets, carried at fair value, and also represent indicators of potential impairment on certain loans and preferred equity held for investment and held for sale at the end of the first quarter of 2020. The Company's consideration and assessment of impairment is discussed further in Note 3, "Loans and Preferred Equity Held for Investment, net and Loans Held for Sale" and Note 14, "Fair Value".

If a general economic downturn resulting from efforts to contain COVID-19 persists, it could have a prolonged material and negative impact on the Company's financial condition and results of operations. At this time, as the extent and duration of the increasingly broad effects of COVID-19 on the global economy remain unclear, it is difficult for the Company to assess and estimate the impact on the Company's results of operations with any meaningful precision. Accordingly, any estimates of the effects of COVID-19 as reflected and/or discussed in these financial statements are based upon the Company's best estimates using information known to the Company at this time, and such estimates may change in the near term, the effects of which could be material.

2. Summary of Significant Accounting Policies

The significant accounting policies of the Company are described below. The accounting policies of the Company's unconsolidated ventures are substantially similar to those of the Company.

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, 2020, or for any other future period. These interim financial statements should be read in conjunction with the audited consolidated financial statements 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, 2019.

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.

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.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its controlled subsidiaries. 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 it has a controlling financial interest by first considering if an entity meets the definition of a variable interest entity ("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

Variable Interest Entities—A VIE is an entity that either (i) lacks sufficient equity to finance its activities without additional subordinated financial support from other parties; (ii) whose equity holders lack the characteristics of a controlling financial interest; or (iii) is established with non-substantive voting rights. A VIE is consolidated by its primary beneficiary, which is defined as the party who has a controlling financial interest in the VIE through (a) power to direct the activities of the VIE that most significantly affect the VIE's economic performance, and (b) obligation to absorb losses or right to receive benefits of the VIE that could be significant to the VIE. The Company also considers interests held by its related parties, including de facto agents. The Company assesses whether it is a member of a related party group that collectively meets the power and benefits criteria and, if so, whether the Company is most closely associated with the VIE. In performing the related party analysis, the Company considers both qualitative and quantitative factors, including, but not limited to: the amount and characteristics of its investment relative to the related party; the Company's and the related party's ability to control or significantly influence key decisions of the VIE including consideration of involvement by de facto agents; the obligation or likelihood for the Company or the related party to fund operating losses of the VIE; and the similarity and significance of the VIE's business activities to those of the Company and the related party. The determination of whether an entity is a VIE, and whether the Company is the primary beneficiary, may involve significant judgment, including the determination of which activities most significantly affect the entities' performance, and estimates about the current and future fair values and performance of assets held by the VIE.

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.

As of March 31, 2020, 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, 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 the 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 the 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 defined and discussed below) and certain operating real estate properties that have noncontrolling interests. The noncontrolling interests in the operating real estate properties represent third party joint venture partners with ownership ranging from 3.5% to 20.0%. These noncontrolling interests do not have substantive kick-out nor 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 consolidating parent entity of an Investing VIE, nor to any of the Company's other consolidated entities.

As of March 31, 2020, the Company held subordinate tranches of securitization trusts in two 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. As a result, 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 expenses of the Investing VIEs are presented in the consolidated financial statements of the Company although the Company legally owns the subordinate tranches of the securitization trusts only. 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 5, "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 are presented separately on the consolidated statements of operations, and the assets and liabilities of the Investing VIEs are separately presented as "Mortgage loans held in securitization trusts, at fair value" and "Mortgage obligations issued by securitization trusts, at fair value," respectively, on the consolidated balance sheets. Refer to Note 14, "Fair Value" for further discussion.

The Company has adopted guidance issued by the Financial Accounting Standards Board ("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 fair value of the assets of its Investing VIEs. Refer to Note 14, "Fair Value" for further discussion.

Unconsolidated VIEs

As of March 31, 2020, 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. 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, 2020.

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, 2020 (dollars in thousands):

	Carrying Value	Maximum Exposure to Loss
Real estate securities, available for sale	$ 179,572	$ 238,080
Investments in unconsolidated ventures	499,549	531,730
Loans and preferred equity held for investment, net	17,587	17,587
Total assets	$ 696,708	$ 787,397

The Company did not provide financial support to the unconsolidated VIEs during the three months ended March 31, 2020. As of March 31, 2020, there were no explicit arrangements or implicit variable interests that could require the Company to provide financial support to the unconsolidated VIEs. The maximum exposure to loss of real estate securities, available for sale was determined as the amortized cost, which represents the purchase price of the investments adjusted by any unamortized premiums or discounts as of March 31, 2020. The maximum exposure to loss of investments in unconsolidated ventures and loans and preferred equity held for investment, net was determined as the carrying value plus any future funding commitments. Refer to Note 3, "Loans and Preferred Equity Held for Investment, net and Loans Held for Sale" and Note 16, "Commitments and Contingencies" for further discussion.

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 Capital. 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. 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.

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 components of OCI include unrealized gain (loss) on CRE debt securities available for sale for which the fair value option was not elected, gain (loss) on derivative instruments used in the Company's risk management activities used for economic hedging purposes ("designated hedges"), and gain (loss) on foreign currency translation.

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 the measurement alternative allowing the Company to measure both the financial assets and financial 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

Definition of a Business—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 costs, 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.

Asset Acquisitions—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. 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 the acquisition of assets are included in the cost basis of the assets acquired.

Business Combinations—The Company accounts for acquisitions that qualify as business combinations by applying the acquisition method. Transaction costs related to the 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.

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, 2020 or December 31, 2019. 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 and Preferred Equity Held for Investment

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

Loans and Preferred Equity Held for Investment

Loans and preferred equity that the Company has the intent and ability to hold for the foreseeable future are classified as held for investment. Originated loans and preferred equity 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 and preferred equity are recorded at amortized cost, or unpaid principal balance plus purchase premium or less unamortized discount. Costs to purchase loans and preferred equity are expensed as incurred.

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

The Company has debt investments in its portfolio that contain a payment-in-kind ("PIK") provision. Contractual PIK interest, which represents contractually deferred interest added to the loan balance that is due at the end of the loan term, is generally recorded on an accrual basis to the extent such amounts are expected to be collected. The Company will generally cease accruing PIK interest if there is insufficient value to support the accrual or management does not expect the borrower to be able to pay all principal and interest due.

Nonaccrual—Accrual of interest income is suspended on nonaccrual loans and preferred equity investments. Loans and preferred equity investments 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 and preferred equity investments are placed on nonaccrual status. Interest collected is recognized on a cash basis by crediting income when received; or if ultimate collectability of loan and preferred equity principal is uncertain, interest collected is recognized using a cost recovery method by applying interest collected as a reduction to loan and preferred equity carrying value. Loans and preferred equity investments may be restored to accrual status when all principal and interest are current and full repayment of the remaining contractual principal and interest are reasonably assured.

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.

At March 31, 2020, the Company classified seven loans in its Legacy, Non-Strategic Portfolio as held for sale. See Note 3, "Loans and Preferred Equity Held for Investment, net and Loans Held for Sale" for further detail.

Acquisition, Development and Construction ("ADC") 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 forgone 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, and 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 is 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, is 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 48 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	1 to 15 years
Tenant improvements	Lesser of the useful life or remaining term of the lease
Furniture, fixtures and equipment	2 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 real estate for impairment generally on an individual property basis. If an impairment indicator exists, the Company evaluates the undiscounted future net cash flows that are expected to be generated by the property, including any estimated proceeds from the eventual disposition of the property. If multiple outcomes are under consideration, the Company may apply a probability-weighted approach to the impairment analysis. Based upon the analysis, if the carrying value of a property exceeds its undiscounted future net cash flows, an impairment loss is recognized for the excess of the carrying value of the property over the estimated fair value of the property. In evaluating and/or measuring impairment, the Company considers, 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. Another key consideration in this assessment is the Company's assumptions about the highest and best use of its real estate investments and its intent and ability to hold them for a reasonable period that would allow for the recovery of their carrying values. If such assumptions change and the Company shortens its expected hold period, this may result in the recognition of impairment losses.

Real Estate 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. At the time a sale is consummated, the excess, if any, of sale price less selling costs over carrying value of the real estate is recognized as a gain.

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.

At March 31, 2020, the Company classified several of its properties in its Legacy, Non-Strategic Portfolio as held for sale. See Note 6, “Real Estate, net and Real Estate Held for Sale,” Note 17, “Segment Reporting” and Note 19, “Subsequent Events” for further detail.

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 generally recognized 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. If the fair value of the property is lower than the carrying value of the loan, the difference is recognized as provision for loan loss and the cumulative loss allowance on the loan is charged off. The Company periodically evaluates foreclosed properties for subsequent decrease in fair value, which is recorded as an 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 the assets and liabilities of its consolidated Investing VIEs, and as a result, any unrealized gains (losses) on the consolidated Investing VIEs 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, 2020, the Company held subordinate tranches of two securitization trusts, which represent the Company’s retained interest in the securitization trusts, which the Company consolidates under U.S. GAAP. Refer to Note 5, “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 loss on mortgage loans and obligations held in securitization trust, net 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.

Investments in Unconsolidated Ventures

A noncontrolling, unconsolidated ownership interest in an entity may be accounted for using one of (i) equity method where applicable; (ii) fair value option if elected; (iii) fair value through earnings if fair value is readily determinable, including election of net asset value (“NAV”) practical expedient where applicable; or (iv) for equity investments without readily determinable fair values, the measurement alternative to measure at cost adjusted for any impairment and observable price changes, as applicable.

Fair value changes of equity method investments under the fair value option are recorded in earnings from investments in unconsolidated ventures. Fair value changes of other equity investments, including adjustments for observable price changes under the measurement alternative, are recorded in other gain (loss).

Equity Method Investments

The Company accounts for investments under the equity method of accounting if it has the ability to exercise significant influence over the operating and financial policies of an entity, but does 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-proportionate 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 are reported as investing activities in the statement of cash flows under the cumulative earnings approach.

At March 31, 2020 and December 31, 2019, the Company's investments in unconsolidated joint ventures consisted of investments in PE Investments, senior loans, mezzanine loans and preferred equity held in joint ventures, as well as ADC arrangements accounted for as equity method investments.

Impairment

Evaluation of impairment applies to equity method investments and equity investments under the measurement alternative. If indicators of impairment exist, the Company will first estimate the fair value of its investment. In assessing fair value, the Company generally considers, among others, the estimated enterprise value of the investee or fair value of the investee's underlying net assets, including net cash flows to be generated by the investee as applicable.

For investments under the measurement alternative, if carrying value of the investment exceeds its fair value, an impairment is deemed to have occurred.

For equity method investments, further consideration is made if a decrease in value of the investment is other-than-temporary to determine if impairment loss should be recognized. Assessment of OTTI involves management judgment, including, but not limited to, consideration of the investee's financial condition, operating results, business prospects and creditworthiness, the Company's ability and intent to hold the investment until recovery of its carrying value, or a significant and prolonged decline in traded price of the investee's equity security. If management is unable to reasonably assert that an impairment is temporary or believes that the Company may not fully recover the carrying value of its investment, then the impairment is considered to be other-than-temporary.

Investments that are other-than-temporarily impaired are written down to their estimated fair value. Impairment loss is recorded in earnings from investments in unconsolidated ventures for equity method investments and in other gain (loss) for investments under the measurement alternative.

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. An indefinite-lived intangible is 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.

Lease Intangibles—Identifiable intangibles recognized in acquisitions of operating real estate properties generally include in-place leases, above- or below-market leases and deferred leasing costs, all of which have finite lives. 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 are 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 estimate 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 the component meets the definition of a participating interest with 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 requires 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, (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.

Derivative Instruments and Hedging Activities

The Company uses derivative instruments to manage its foreign currency risk and interest rate risk. The Company does not use derivative instruments for speculative or trading purposes. All derivative instruments are recorded at fair value and included in other assets or other liabilities on a gross basis on the balance sheet. The accounting for changes in fair value of derivatives depends upon whether or not the Company has elected to designate the derivative in a hedging relationship and the derivative qualifies for hedge accounting. The Company has economic hedges that have not been designated for hedge accounting.

Changes in fair value of derivatives not designated as accounting hedges are recorded in the statement of operations in other gain (loss), net.

For designated accounting hedges, the relationships between hedging instruments and hedged items, risk management objectives and strategies for undertaking the accounting hedges as well as the methods to assess the effectiveness of the derivative prospectively and retrospectively, are formally documented at inception. Hedge effectiveness relates to the amount by which the gain or loss on the designated derivative instrument exactly offsets the change in the hedged item attributable to the hedged risk. If it is determined that a derivative is not expected to be or has ceased to be highly effective at hedging the designated exposure, hedge accounting is discontinued.

Cash Flow Hedges—The Company uses interest rate caps and swaps to hedge its exposure to interest rate fluctuations in forecasted interest payments on floating rate debt. The effective portion of the change in fair value of the derivative is recorded in accumulated other comprehensive income, while hedge ineffectiveness is recorded in earnings. If the derivative in a cash flow hedge is terminated or the hedge designation is removed, related amounts in accumulated other comprehensive income (loss) are reclassified into earnings.

Net Investment Hedges—The Company uses foreign currency hedges to protect the value of its net investments in foreign subsidiaries or equity method investees whose functional currencies are not U.S. dollars. Changes in the fair value of derivatives used as hedges of net investment in foreign operations, to the extent effective, are recorded in the cumulative translation adjustment account within accumulated other comprehensive income (loss).

At the end of each quarter, the Company reassesses the effectiveness of its net investment hedges and as appropriate, dedesignates the portion of the derivative notional amount that is in excess of the beginning balance of its net investments as undesignated hedges.

Release of accumulated other comprehensive income related to net investment hedges occurs upon losing a controlling financial interest in an investment or obtaining control over an equity method investment. Upon sale, complete or substantially complete liquidation of an investment in a foreign subsidiary, or partial sale of an equity method investment, the gain or loss on the related net investment hedge is reclassified from accumulated other comprehensive income to earnings.

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 noncancellable 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 related 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 the 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. Upon sale, complete or substantially complete liquidation of a foreign subsidiary, or upon partial sale of a foreign equity method investment, the translation adjustment associated with the investment, or a proportionate share related to the portion of equity method investment sold, is reclassified from accumulated other comprehensive income or loss into earnings.

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 the 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), net on the consolidated statements of operations.

Disclosures of non-U.S. dollar amounts to be recorded in the future are translated using exchange rates in effect at the date of the most recent balance sheet presented.

Equity-Based Compensation

Equity-classified stock awards granted to executive officers and both independent and non-independent directors are based on the closing price of the Class A common stock on the grant date and recognized on a straight-line basis over the requisite service period of the awards.

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 ("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

For U.S. federal income tax purposes, the Company elected to be taxed as a REIT beginning with its taxable year ended December 31, 2018. To qualify as a REIT, the Company must continually satisfy tests concerning, among other things, the real estate qualification of sources of its income, the real estate composition and values of its assets, the amounts it distributes to stockholders and the diversity of ownership of its stock.

To the extent that the Company qualifies as a REIT, it generally will not be subject to U.S. federal income tax to the extent of its distributions to stockholders. 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 also holds investments in Europe which are subject to tax in each local jurisdiction.

The Company made joint elections to treat certain subsidiaries as taxable REIT subsidiaries ("TRSs") which may be subject to taxation by U.S. federal, state and local authorities. In general, a TRS of the Company may perform non-customary services for tenants, hold assets that the Company cannot hold directly and 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 during 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.

The Coronavirus Aid, Relief and Economic Security Act ("CARES Act") was passed on March 27, 2020. Among other things, the CARES Act temporarily removed the 80% limitation on the amount of taxable income that can be offset with a net operating loss ("NOL") for 2019 and 2020 and allowed for a carryback of net operating losses generated in years 2018 through 2020 to each of the preceding five years. The Company is still evaluating the impact of the CARES Act on its NOLs and did not book any adjustments related to the CARES Act for the quarter ended March 31, 2020.

For the three months ended March 31, 2020 and March 31, 2019, the Company recorded income tax expense of $1.7 million and income tax benefit of $0.4 million, respectively.

Accounting Standards Adopted in 2020

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 Company adopted ASU 2016-13 using the modified retrospective method on January 1, 2020.

The existing incurred loss model has been 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 available-for-sale ("AFS") debt securities, unrealized credit losses are 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 has been 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 was amended to conform to the new impairment models for HTM and AFS debt securities.

Upon adoption of ASU 2016-13 on January 1, 2020 the Company recorded the following (dollars in thousands):

	Impact of ASU 2016-13 Adoption
Assets:	
CECL reserve on Loans and preferred equity held for investment, net	$ 21,093
Liabilities:	
CECL reserve on Accrued and other liabilities	2,093
Total Impact of ASU 2016-13 adoption on Accumulated deficit	$ 23,186

The following discussion highlights changes to the Company's accounting policies as a result of this adoption.

CECL reserve

The CECL reserve for the Company's financial instruments carried at amortized cost and off-balance sheet credit exposures, such as loans, loan commitments and trade receivables represents a lifetime estimate of expected credit losses. Factors considered by the Company when determining the CECL reserve include loan-specific characteristics such as loan-to-value ("LTV") ratio, vintage year, loan term, property type, occupancy and geographic location, financial performance of the borrower, expected payments of principal and interest, as well as internal or external information relating to past events, current conditions and reasonable and supportable forecasts.

The CECL reserve is measured on a collective (pool) basis when similar risk characteristics exist for multiple financial instruments. If similar risk characteristics do not exist, the Company measures the CECL reserve on an individual instrument basis. The determination of whether a particular financial instrument should be included in a pool can change over time. If a financial asset's risk characteristics change, the Company evaluates whether it is appropriate to continue to keep the financial instrument in its existing pool or evaluate it individually.

In measuring the CECL reserve for financial instruments that share similar risk characteristics, the Company primarily applies a probability of default ("PD")/loss given default ("LGD") model for instruments that are collectively assessed, whereby the CECL reserve is calculated as the product of PD, LGD and exposure at default ("EAD"). The Company's model principally utilizes historical loss rates derived from a commercial mortgage backed securities database with historical losses from 1998 through March 2020 provided by a third party, Trepp LLC, forecasting the loss parameters using a scenario-based statistical approach over a reasonable and supportable forecast period of twelve months, followed by a straight-line reversion period of twelve-months back to average historical losses.

For financial instruments assessed outside of the PD/LGD model on an individual basis, including when it is probable that the Company will be unable to collect the full payment of principal and interest on the instrument, the Company applies a discounted cash flow ("DCF") methodology. For financial instruments where the borrower is experiencing financial difficulty based on the Company's assessment at the reporting date and the repayment is expected to be provided substantially through the operation or sale of the collateral, the Company may elect to use as a practical expedient the fair value of the collateral at the reporting date when determining the provision for loan losses.

In developing the CECL reserve for its loans and preferred equity held for investment, the Company considers the risk rating of each loan and preferred equity as a key credit quality indicator. The risk ratings are based on a variety of factors, including, without limitation, underlying real estate performance and asset value, values of comparable properties, durability and quality of property cash flows, sponsor experience and financial wherewithal, and the existence of a risk-mitigating loan structure. Additional key considerations include loan-to-value ratios, debt service coverage ratios, loan structure, real estate and credit market dynamics, and risk of default or principal loss. Based on a five-point scale, the Company's loans and preferred equity held for investment are rated "1" through "5," from less risk to greater risk, and the ratings are updated quarterly. At the time of origination or purchase, loans and preferred equity held for investment are ranked as a "3" and will move accordingly going forward based on the ratings which are defined as follows:

1. *Very Low Risk*-The loan is performing as agreed. The underlying property performance has exceeded underwritten expectations with very strong net operating income ("NOI"), debt service coverage ratio, debt yield and occupancy metrics. Sponsor is investment grade, very well capitalized, and employs very experienced management team.
2. *Low Risk*-The loan is performing as agreed. The underlying property performance has met or exceeds underwritten expectations with high occupancy at market rents, resulting in consistent cash flow to service the debt. Strong sponsor that is well capitalized with experienced management team.

3. *Average Risk*-The loan is performing as agreed. The underlying property performance is consistent with underwriting expectations. The property generates adequate cash flow to service the debt, and/or there is enough reserve or loan structure to provide time for sponsor to execute the business plan. Sponsor has routinely met its obligations and has experience owning/operating similar real estate.

4. *High Risk/Delinquent/Potential for Loss*-The loan is in excess of 30 days delinquent and/or has a risk of a principal loss. The underlying property performance is behind underwritten expectations. Loan covenants may require occasional waivers/modifications. Sponsor has been unable to execute its business plan and local market fundamentals have deteriorated. Operating cash flow is not sufficient to service the debt and debt service payments may be coming from sponsor equity/loan reserves.

5. *Impaired/Defaulted/Loss Likely*-The loan is in default or a default is imminent, and has a high risk of a principal loss, or has incurred a principal loss. The underlying property performance is significantly worse than underwritten expectation and sponsor has failed to execute its business plan. The property has significant vacancy and current cash flow does not support debt service. Local market fundamentals have significantly deteriorated resulting in depressed comparable property valuations versus underwriting.

The Company also considers qualitative and environmental factors, including, but not limited to, economic and business conditions, nature and volume of the loan portfolio, lending terms, volume and severity of past due loans, concentration of credit and changes in the level of such concentrations in its determination of the CECL reserve.

The Company has elected to not measure a CECL reserve for accrued interest receivable as it is reversed against interest income when a loan or preferred equity investment is placed on nonaccrual status. Loans and preferred equity investments are charged off against the provision for loan losses when all or a portion of the principal amount is determined to be uncollectible.

Changes in the CECL reserve for the Company's financial instruments are recorded in provision for loan losses on the Statement of Operations with a corresponding offset to the loans and preferred equity held for investment or as a component of other liabilities for future loan fundings recorded on the Company's consolidated balance sheets. During the three months ended March 31, 2020, the Company recorded $69.9 million in provision for loan losses on the Company's consolidated statements of operations, with a corresponding offset to the loans and preferred equity held for investment of $67.6 million and $2.3 million in other liabilities for future loan fundings on the Company's consolidated balance sheets. The Company's $69.9 million provision for loan losses recorded during the three months ended March 31, 2020 consists of $39.1 million related to two of the Company's hospitality loans, $29.0 million determined by the PD/LGD model and $1.8 million related to the discounted payoff of loans during the quarter. See Note 3, "Loans and Preferred Equity Held for Investment, net and Loans Held for Sale" for further detail.

Troubled Debt Restructuring ("TDR")—The Company classifies an individual financial instrument as a TDR when it has a reasonable expectation that the financial instrument's contractual terms will be modified in a manner that grants concession to the borrower who is experiencing financial difficulty. 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 financial instrument. The Company determines the CECL reserve for financial instruments that are TDRs individually.

Fair Value Disclosures—In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurements*. The ASU requires new disclosures of changes in unrealized gains and losses in other comprehensive income for recurring Level 3 fair value measurements of instruments held at the balance sheet date, as well as the range and weighted average or other quantitative information, if more relevant, of significant unobservable inputs for recurring and nonrecurring Level 3 fair values. Certain previously required disclosures are eliminated, specifically around the valuation process required for Level 3 fair values, policy for timing of transfers between levels of the fair value hierarchy, as well as amounts and reason for transfers between Levels 1 and 2. Additionally, the new guidance clarifies or modifies certain existing disclosures, including clarifying that information about measurement uncertainty of Level 3 fair values should be as of the reporting date and requiring disclosures of the timing of liquidity events for investments measured under the NAV practical expedient, but only if the investee has communicated this information or has announced it publicly. The provisions on new disclosures and modification to disclosure of Level 3 measurement uncertainty are to be applied prospectively, while all other provisions are to be applied retrospectively. The Company adopted ASU No. 2018-13 on January 1, 2020.

Related Party Guidance for VIEs—In November 2018, the FASB issued ASU No. 2018-17, *Targeted Improvements to Related Party Guidance for Variable Interest Entities*. The ASU amends the VIE guidance to align, throughout the VIE model, the evaluation of a decision maker's or service provider's fee held by a related party whether or not they are under common control, in both the assessment of whether a fee qualifies as a variable interest and the determination of a primary beneficiary. Specifically, a decision maker or service provider considers interests in a VIE held by a related party under common control only if it has a direct interest

in the related party under common control and considers such indirect interest in the VIE held by the related party under common control on a proportionate basis, rather than its entirety. Transition is generally on a modified retrospective basis, with the cumulative effect adjusted to retained earnings at the beginning of the earliest period presented. The Company adopted ASU No. 2018-17 on January 1, 2020, with no transitional impact upon adoption.

Reference Rate Reform-In March 2020, the FASB issued ASU No. 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting. The guidance in Topic 848 is optional, the election of which provides temporary relief for the accounting effects on contracts, hedging relationships and other transactions impacted by the transition from interbank offered rates (such as London Interbank Offered Rate, or LIBOR) that are expected to be discontinued by the end of 2021 to alternative reference rates (such as Secured Overnight Financing Rate, or SOFR). Modification of contractual terms to effect the reference rate reform transition on debt, leases, derivatives and other contracts is eligible for relief from modification accounting and accounted for as a continuation of the existing contract. Topic 848 is effective upon issuance through December 31, 2022, and may be applied retrospectively to January 1, 2020. The Company has elected to apply the hedge accounting expedients related to probability and assessment of effectiveness for future LIBOR-indexed cash flows to assume that the index upon which future hedged transactions will be based matches the index on the corresponding derivatives, which preserves existing derivative treatment and presentation. The Company may elect other practical expedients or exceptions as applicable over time as reference rate reform activities occur.

Future Application of Accounting Standards

Income Tax Accounting—In December 2019, the FASB issued ASU No. 2019-12, *Simplifying Accounting for Income Taxes*. The ASU simplifies accounting for income taxes by eliminating certain exceptions to the general approach in ASC 740, Income Taxes, and clarifies certain aspects of the guidance for more consistent application. The simplifications relate to intraperiod tax allocations when there is a loss in continuing operations and a gain outside of continuing operations, accounting for tax law or tax rate changes and year-to-date losses in interim periods, recognition of deferred tax liability for outside basis difference when investment ownership changes, and accounting for franchise taxes that are partially based on income. The ASU also provides new guidance that clarifies the accounting for transactions resulting in a step-up in tax basis of goodwill, among other changes. Transition is generally prospective, other than the provision related to outside basis difference which is on a modified retrospective basis with cumulative effect adjusted to retained earnings at the beginning of the period adopted, and franchise tax provision which is on either full or modified retrospective. ASU No. 2019-12 is effective January 1, 2021, with early adoption permitted in an interim period, to be applied to all provisions. The Company is currently evaluating the impact of this new guidance.

Accounting for Certain Equity Investments—In January 2020, the FASB issued ASU No. 2020-01, *Clarifying the Interactions between Topic 321 Investments-Equity Securities, Topic 323-Investments Equity Method and Joint Ventures, and Topic 815-Derivatives and Hedging*. The ASU clarifies that if as a result of an observable transaction, an equity investment under the measurement alternative is transitioned into equity method and vice versa, an equity method investment is transitioned into measurement alternative, the investment is to be remeasured immediately before and after the transaction, respectively. The ASU also clarifies that certain forward contracts or purchased options to acquire equity securities that are not deemed to be derivatives or in-substance common stock will generally be measured using the fair value principles of ASC 321 before settlement or exercise, and that an entity should not be considering how it will account for the resulting investments upon eventual settlement or exercise. ASU No. 2020-01 is to be applied prospectively, effective January 1, 2021, with early adoption permitted in an interim period. The Company is currently evaluating the impact of this new guidance.

3. Loans and Preferred Equity Held for Investment, net and Loans Held for Sale

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

	March 31, 2020				December 31, 2019			
	Unpaid Principal Balance	Carrying Value	Weighted Average Coupon[1]	Weighted Average Maturity in Years	Unpaid Principal Balance	Carrying Value	Weighted Average Coupon[1]	Weighted Average Maturity in Years
Fixed rate								
Mezzanine loans	$ 126,807	$ 125,993	12.7%	4.8	$ 223,395	$ 222,503	12.8%	4.2
Preferred equity interests	116,901	116,856	12.5%	6.6	115,384	115,313	12.5%	6.9
Other loans[2]	12,731	12,621	15.0%	4.2	12,572	12,448	15.0%	4.4
	256,439	255,470			351,351	350,264		
Variable rate								
Senior loans	1,135,358	1,130,218	5.6%	3.9	1,462,467	1,457,738	6.0%	3.8
Securitized loans[3]	1,006,495	1,002,705	5.1%	4.0	1,006,495	1,002,696	5.2%	4.2
Mezzanine loans	14,959	15,079	10.7%	2.3	38,110	38,258	11.4%	2.0
	2,156,812	2,148,002			2,507,072	2,498,692		
	2,413,251	2,403,472			2,858,423	2,848,956		
Allowance for loan losses	NA	(52,194)			NA	(272,624)		
Loans and preferred equity held for investment, net	$ 2,413,251	$ 2,351,278			$ 2,858,423	$ 2,576,332		

(1) Calculated based on contractual interest rate.
(2) Includes one corporate term loan secured by the borrower's limited partnership interests in a fund at March 31, 2020 and December 31, 2019.
(3) Represents loans transferred into securitization trusts that are consolidated by the Company.

As of March 31, 2020, the weighted average maturity, including extensions, of loans and preferred equity investments was 4.1 years.

The Company had $8.8 million and $9.8 million of interest receivable related to its loans and preferred equity held for investment, net as of March 31, 2020 and December 31, 2019, respectively. This is included in receivables, net on the Company's consolidated balance sheets.

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

	Carrying Value
Balance at January 1, 2020	$ 2,576,332
Acquisitions/originations/additional funding	37,452
Loan maturities/principal repayments	(176,021)
Transfer to loans held for sale	(16,625)
Discount accretion/premium amortization	2,215
Capitalized interest	3,171
Provision for loan losses[1][2]	(69,686)
Effect of CECL adoption[3]	(21,093)
Charge-off	15,533
Balance at March 31, 2020	$ 2,351,278

(1) Provision for loan losses excludes $0.2 million determined by the Company's PD/LGD model for unfunded commitments reported on the consolidated statement of operations, with a corresponding offset to other liabilities recorded on the Company's consolidated balance sheets.
(2) Includes $28.8 million related to the Company's PD/LGD model, $36.8 million recorded on four NY hospitality loans and $2.3 million related to the Midwest hospitality loan both of which were evaluated individually and $1.8 million related to the discounted payoff of loans during the quarter. See further discussion in "Nonaccrual and Past Due Loans and Preferred Equity."
(3) Calculated by the Company's PD/LGD model upon CECL adoption on January 1, 2020. See Note 2, "Summary of Significant Accounting Polices" for further details.

Nonaccrual and Past Due Loans and Preferred Equity

Loans and preferred equity 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. At March 31, 2020, other than the NY hospitality loans and the Midwest hospitality loan discussed below, all other loans and preferred equity held for investment remain current on interest payments.

In March 2018, the borrower on the Company's four NY hospitality loans in its Legacy, Non-Strategic Portfolio failed to make all required interest payments and the loans were placed on nonaccrual status. These four loans are secured by the same collateral. During 2018, the Company recorded $53.8 million of provision for loan losses to reflect the estimated value to be recovered from the borrower following a sale. During 2019, the Company recorded an additional provision for loan loss of $154.3 million based on significant deterioration in the NY hospitality market, feedback from the sales process and the estimated value to be recovered from the borrower following a potential sale. During the three months ended March 31, 2020 the significant detrimental impact of COVID-19 on the U.S. hospitality industry further contributed to the deterioration of the Company's four NY hospitality loans and as such the Company recorded an additional provision for loan losses of $36.8 million. On April 22, 2020, the Company completed a discounted payoff of the NY hospitality loans and related investment interests.

Within its Legacy, Non-Strategic Portfolio, the Company has other loans secured by regional malls, that it has been closely monitoring, as follows:

- The Company placed one loan secured by a regional mall ("Midwest Regional Mall") on non-accrual status during 2019 as collectability of the principal was uncertain; as such, interest collected is recognized using the cost recovery method by applying interest collected as a reduction to loan carrying value. The Company recorded $10.6 million of impairment related to Midwest Regional Mall during 2019. Additionally, this loan was transferred to held for sale during 2019 and remains held for sale as of March 31, 2020.

- During 2018, the Company recorded $8.8 million of provision for loan losses on one loan secured by a regional mall ("Northeast Regional Mall B") to reflect the estimated fair value of the collateral. During 2019, the Company recognized additional provision for loan losses of $10.5 million on Northeast Regional Mall B. The additional provisions were based on then-current and prospective leasing activity to reflect the estimated fair value of the collateral. During the three months ended March 31, 2020, the Northeast Regional Mall was sold. The Company received $9.2 million in gross proceeds and recognized a gain of $1.8 million.

- Also, during 2019, the Company separately recognized provision for loan losses of $18.5 million on two loans secured by one regional mall ("West Regional Mall") to reflect the estimated fair value of the collateral. Subsequent to March 31, 2020, the West Regional Mall loan was sold. The company received $23.5 million in gross proceeds and will recognize a gain of $6.8 million.

- Furthermore, during 2019, the Company recognized a $26.7 million provision for loan losses on three loans to two separate borrowers ("South Regional Mall A" and "South Regional Mall B") to reflect the estimated fair value of the collateral. During the three months ended March 31, 2020, the Company accepted a discounted payoff of South Regional Mall A. The Company received $22.0 million in gross proceeds and recognized a loss of $1.6 million. Additionally, during the three months ended March 31, 2020, South Regional Mall B was sold. The Company received $13.5 million in gross proceeds and recognized a gain of $8.7 million.

Additionally, within its Core Portfolio, the Company placed one loan secured by a hotel ("Midwest Hospitality") on non-accrual status due to a borrower default during the fourth quarter of 2019. During the three months ended March 31, 2020 the Company recorded a specific $2.3 million provision for loan loss on the Midwest Hospitality loan to reflect the estimated fair value of the collateral, which was based on feedback from the sales process and the estimated value to be recovered from the borrower following a potential sale. The Company is sweeping cash from the hotel to amortize the unpaid principal balance of the loan.

The following table provides an aging summary of loans and preferred equity held for investment at carrying values before allowance for loan losses, if any (dollars in thousands):

	Current or Less Than 30 Days Past Due	30-59 Days Past Due[1]	60-89 Days Past Due	90 Days or More Past Due[1][2]	Total Loans
March 31, 2020	$ 2,373,626	$ —	$ —	$ 29,846	$ 2,403,472
December 31, 2019	2,558,505	32,322	—	258,129	2,848,956

(1) At December 31, 2019, 30-59 days past due includes one loan (Midwest Hospitality) that was placed on non-accrual status during the fourth quarter of 2019 following a borrower default. At March 31, 2020, the Midwest Hospitality loan is 90 days or more past due.
(2) At December 31, 2019, 90 days or more past due loans includes four NY hospitality loans to the same borrower and secured by the same collateral with combined carrying value before allowance for loan losses of $258.1 million on nonaccrual status. All other loans in this table remain current on interest payments. The four loans were classified as held for sale at March 31, 2020 and sold in April 2020.

Impaired Loans - 2019

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. Impaired loans include predominantly loans under nonaccrual, performing and nonperforming TDRs, as well as loans in maturity default. The following table presents impaired loans at December 31, 2019 (dollars in thousands):

		Gross Carrying Value			
	Unpaid Principal Balance[1]	With Allowance for Loan Losses[2]	Without Allowance for Loan Losses	Total[2]	Allowance for Loan Losses
December 31, 2019	$ 408,058	$ 377,421	$ 32,322	$ 409,743	$ 272,624

(1) Includes four NY hospitality loans to the same borrower and secured by the same collateral with combined unpaid principal balance of $257.2 million and gross carrying value of $258.1 million on nonaccrual status. All other loans included in this table remain current on interest payments. The four loans were classified as held for sale at March 31, 2020 and sold in April 2020.
(2) Includes unpaid principal balance plus any applicable exit fees less net deferred loan fees.

Upon adoption of ASU 2016-13 the incurred loss model has been replaced with a lifetime current expected credit loss model for the Company's loans carried at amortized cost, and as such all loans in the Company's portfolio maintain an allowance for loan losses at March 31, 2020. See Note 2 "Summary of Significant Accounting Policies—Accounting Standards Adopted in 2020—Credit Losses" for further details.

The average carrying value and interest income recognized on impaired loans for the three months ended March 31, 2019 were as follows (dollars in thousands):

	Three Months Ended March 31,
	2019
Average carrying value before allowance for loan losses	$ 390,376
Interest income	1,476

Allowance for Loan Losses

As of December 31, 2019, the allowance for loan losses was $272.6 million related to $409.7 million in carrying value of loans.

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

	Three Months Ended March 31,	
	2020	2019
Allowance for loan losses at beginning of period	$ 272,624	$ 109,328
Effect of CECL adoption[1]	21,093	—
Provision for loan losses[2][3]	69,686	—
Charge-off	(15,533)	(31,696)
Transfer to loans held for sale	(295,676)	—
Allowance for loan losses at end of period	$ 52,194	$ 77,632

(1) Calculated by the Company's PD/LGD model upon CECL adoption on January 1, 2020. See Note 2, "Summary of Significant Accounting Policies" for further details.
(2) Provision for loan losses excludes $0.2 million calculated by the Company's PD/LGD model for unfunded commitments reported on the consolidated statement of operations, with a corresponding offset to other liabilities recorded on the Company's consolidated balance sheets.
(3) Includes $28.8 million related to the Company's PD/LGD model, $36.8 million recorded on four NY hospitality loans and $2.3 million related to the Midwest hospitality loan, both of which were evaluated individually, and $1.8 million related to the discounted payoff of loans during the quarter. See further discussion in "Nonaccrual and Past Due Loans and Preferred Equity."

Loans and Preferred Equity Held for Sale

The following table summarizes the Company's assets held for sale related to loans and preferred equity (dollars in thousands):

	March 31, 2020	December 31, 2019
Assets		
Loans and preferred equity held for investment, net	$ 21,191	$ 5,016
Total assets held for sale	$ 21,191	$ 5,016

At March 31, 2020, the Company has classified seven loans in its Legacy, Non-Strategic Portfolio as held for sale.

There were no assets held for sale that constituted discontinued operations as of March 31, 2020 and December 31, 2019.

Credit Quality Monitoring

Loan and preferred equity 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 loan and preferred equity 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, 2020, there were five loans to two borrowers with contractual payments past due, which were the four NY hospitality loans in our Legacy, Non-Strategic Portfolio and the Midwest Hospitality loan in our Core Portfolio, as previously discussed. An additional loan, Midwest Regional Mall, was placed on non-accrual status during the fourth quarter of 2019 as collectability of the principal is uncertain; as such, interest collected is recognized using the cost recovery method by applying interest collected as a reduction to loan carrying value. The NY hospitality and Midwest Regional Mall loans were classified as held for sale as of March 31, 2020. The remaining loans and preferred equity investments were performing in accordance with the contractual terms of their governing documents and were categorized as performing loans. There were five loans held for investment with contractual payments past due as of December 31, 2019. For the three months ended March 31, 2020, no debt investment contributed more than 10.0% of interest income.

The following table provides a summary by carrying values before any allowance for loan losses of the Company's loans and preferred equity held for investment by year of origination and credit quality risk ranking (dollars in thousands). Refer to Note 2, "Summary of Significant Accounting Policies—Accounting Standards Adopted in 2020—Credit Losses" for loans risk ranking definitions.

	2020	2019	2018	2017	2016	Prior	Total
Senior loans							
Risk Rankings:							
3	$ —	$ 377,975	$ 292,224	$ 33,581	$ —	$ —	$ 703,780
4	—	798,721	603,534	—	—	—	1,402,255
5	—	—	—	—	—	29,846	29,846
Total Senior loans	—	1,176,696	895,758	33,581	—	29,846	2,135,881
Mezzanine loans							
Risk Rankings:							
3	—	—	—	—	—	—	—
4	—	69,674	51,785	12,120	—	4,534	138,113
Total Mezzanine loans	—	69,674	51,785	12,120	—	4,534	138,113
Preferred equity interests and other							
Risk Rankings:							
4	—	12,621	116,857	—	—	—	129,478
Total Preferred equity interests and other	—	12,621	116,857	—	—	—	129,478
Total Loans and preferred equity held for investment	$ —	$ 1,258,991	$ 1,064,400	$ 45,701	$ —	$ 34,380	$ 2,403,472

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, 2020, assuming the terms to qualify for future fundings, if any, have been met, total gross unfunded lending commitments was $236.7 million. Refer to Note 16, “Commitments and Contingencies” for further details. During the three months ended March 31, 2020, the Company recorded a $2.3 million allowance for lending commitments in accrued and other liabilities on its consolidated balance sheets in accordance with the new credit losses accounting standard No. 2016-13. See Note 2, “Summary of Significant Accounting Policies” for further details.

4. 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, 2020	December 31, 2019
Equity method investments	$ 577,230	$ 585,022
Investments under fair value option	8,764	10,283
Investments in Unconsolidated Ventures	$ 585,994	$ 595,305

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 Colony Capital 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, 2020 and December 31, 2019, respectively.

The Company's investments accounted for under the equity method are summarized below (dollars in thousands):

		Carrying Value	
Investments	Description	March 31, 2020	December 31, 2019
ADC investments[1][2]	Interests in three 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	$ 59,047	$ 59,576
Other investment ventures[1]	Interests in nine investments, each with less than $171.5 million carrying value at March 31, 2020	518,183	525,446

(1) The Company's ownership interest in ADC investments and other investment ventures varies and 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.

Impairment

During the year ended December 31, 2019, the Company recognized its proportionate share of impairment loss totaling $14.7 million on one senior loan secured by a regional mall ("Southeast Regional Mall") of which the Company owned 50.0% of the joint venture. Southeast Regional Mall was included in the Company's Legacy, Non-Strategic Portfolio prior to its sale during the three months ended March 31, 2020. The Company received $13.4 million in gross sales proceeds and recognized a gain of $1.6 million.

Also during the year ended December 31, 2019, the Company recorded its proportionate share of impairment loss totaling $16.1 million on two loans and an equity partnership interest secured by residential development projects included in its Legacy, Non-Strategic Portfolio. The impairment losses are as a result of revised property sales expectations. The Company also recorded a $17.6 million impairment loss related to an equity participation interest in a joint venture, within its Core Portfolio, to reflect the estimated fair value of the collateral.

The impairment recorded on each of these investments is included in equity in earnings of unconsolidated ventures on the Company's consolidated statements of operations.

Investments under Fair Value Option

Private Funds

The Company elected to account for its limited partnership interests, which range from 0.1% to 16.1%, 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.

During the three months ended March 31, 2020, the Company received the final $1.8 million in proceeds related to the sale of its PE Investments.

Investments in Unconsolidated Ventures Held for Sale

During the three months ended March 31, 2020, the Company classified one investment in an unconsolidated venture it its Legacy, Non-Strategic Portfolio with a carrying value of $11.5 million as held for sale.

5. Real Estate Securities, Available for Sale

Investments in CRE Securities

CRE securities are composed 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, 2020 and December 31, 2019 (dollars in thousands):

					Cumulative Unrealized on Investments			Weighted Average	
As of Date:	Count	Principal Amount[1]	Total Discount	Amortized Cost	Gain	(Loss)	Fair Value	Coupon[2]	Unleveraged Current Yield
March 31, 2020	43	$ 292,284	$ (54,204)	$ 238,080	$ —	$ (58,508)	$ 179,572	3.19%	7.12%
December 31, 2019	43	292,284	(55,981)	236,303	17,084	(563)	252,824	3.19%	7.12%

(1) CRE securities serve as collateral for financing transactions including carrying value of $178.3 million as of March 31, 2020 for the CMBS Credit Facilities (refer to Note 9, "Debt," for further detail). The remainder is unleveraged.
(2) All CMBS are fixed rate.

The Company recorded an unrealized loss in OCI of $75.0 million for the three months ended March 31, 2020 and an unrealized gain in OCI of $9.8 million for the three months ended March 31, 2019. As of March 31, 2020, the Company held 43 securities with a carrying value of $179.6 million and an unrealized loss of $58.5 million, which were not in an unrealized loss position for a period of greater than 12 months. 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 the amortized cost basis, which may be at expected maturity.

As of March 31, 2020, the weighted average contractual maturity of CRE securities was 30.8 years with an expected maturity of 6.2 years.

The Company had $0.7 million and $0.7 million of interest receivable related to its real estate securities, available for sale as of March 31, 2020 and December 31, 2019, respectively. This is included in receivables, net on the Company's consolidated balance sheets.

Investments in Investing VIEs

The Company is the directing certificate holder of two 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.

In July 2019, the Company sold its retained investments in the subordinate tranches of one securitization trust for $33.4 million in total proceeds. As a result of the sale, the Company deconsolidated one of the securitization trusts with gross assets and liabilities of approximately $1.2 billion and $1.2 billion, respectively.

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, 2020, the mortgage loans and the related mortgage obligations held in the securitization trusts had an unpaid principal balance of $1.8 billion and $1.6 billion, respectively. As of December 31, 2019, the mortgage loans and the related mortgage obligations held in the securitization trusts had an unpaid principal balance of $1.8 billion and $1.6 billion, respectively. As of March 31, 2020, across the two consolidated securitization trusts, the underlying collateral consisted of 115 underlying commercial mortgage loans, with a weighted average coupon of 4.5% and a weighted average loan to value ratio of 56.7%.

The following table presents the assets and liabilities recorded on the consolidated balance sheets attributable to the securitization trust as of March 31, 2020 and December 31, 2019 (dollars in thousands):

	March 31, 2020	December 31, 2019
Assets		
Mortgage loans held in a securitization trust, at fair value	$ 1,822,991	$ 1,872,970
Receivables, net	7,081	7,020
Total assets	$ 1,830,072	$ 1,879,990
Liabilities		
Mortgage obligations issued by a securitization trust, at fair value	$ 1,732,388	$ 1,762,914
Accrued and other liabilities	6,247	6,267
Total liabilities	$ 1,738,635	$ 1,769,181

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 $90.6 million and $110.1 million as of March 31, 2020 and December 31, 2019, respectively, and approximates the fair value of the Company's retained investments in the subordinate tranches of the securitization trusts, which are eliminated in consolidation. Refer to Note 14, "Fair Value" for a description of the valuation techniques used to measure fair value of assets and liabilities of the Investing VIEs.

The below table presents net income attributable to the Company's common stockholders for the three months ended March 31, 2020 and 2019 generated from the Company's investments in the subordinate tranches of the securitization trusts (dollars in thousands):

	Three Months Ended March 31,	
	2020	2019
Statement of Operations		
Interest expense	$ (185)	$ (263)
Interest income on mortgage loans held in securitization trusts	20,555	38,476
Interest expense on mortgage obligations issued by securitization trusts	(18,059)	(35,635)
Net interest income	2,311	2,578
Administrative expense	(515)	(359)
Unrealized gain (loss) on mortgage loans and obligations held in securitization trusts, net	(19,452)	1,029
Realized gain on mortgage loans and obligations held in securitization trusts, net	—	48
Net income attributable to Colony Credit Real Estate, Inc. common stockholders	$ (17,656)	$ 3,296

6. Real Estate, net and Real Estate Held for Sale

The following table presents the Company's net lease portfolio, net, as of March 31, 2020, and December 31, 2019 (dollars in thousands):

	March 31, 2020	December 31, 2019
Land and improvements	$ 200,742	$ 209,693
Buildings, building leaseholds, and improvements	860,681	899,889
Tenant improvements	23,543	25,077
Construction-in-progress	1,026	415
Subtotal	$ 1,085,992	$ 1,135,074
Less: Accumulated depreciation	(68,977)	(63,995)
Less: Impairment[1]	(23,911)	(23,911)
Net lease portfolio, net	$ 993,104	$ 1,047,168

(1) See Note 14, "Fair Value," for discussion of impairment of real estate.

The following table presents the Company's portfolio of real estate included in its Legacy, Non-Strategic Portfolio, including foreclosed properties, as of March 31, 2020 and December 31, 2019 (dollars in thousands):

	March 31, 2020	December 31, 2019
Land and improvements	$ 60,994	$ 91,997
Buildings, building leaseholds, and improvements	346,439	536,046
Tenant improvements	24,708	38,230
Furniture, fixtures and equipment	179	3,183
Construction-in-progress	4,665	6,325
Subtotal	$ 436,985	$ 675,781
Less: Accumulated depreciation	(30,685)	(46,079)
Less: Impairment[1]	(172,416)	(192,074)
Other portfolio, net	$ 233,884	$ 437,628

(1) See Note 14, "Fair Value," for discussion of impairment of real estate.

For the three months ended March 31, 2020, the Company had no single property with rental and other income equal to or greater than 10.0% of total revenue.

At March 31, 2020 and December 31, 2019, the Company held foreclosed properties which are included in real estate, net with a carrying value of $3.1 million and $50.7 million, respectively. At March 31, 2020 and December 31, 2019, the Company held foreclosed properties in assets held for sale of $92.3 million and $57.9 million, respectively.

Depreciation Expense

Depreciation expense on real estate was $12.0 million and $19.9 million for the three months ended March 31, 2020 and March 31, 2019, respectively.

Property Operating Income

For the three months ended March 31, 2020 and 2019, the components of property operating income were as follows (dollars in thousands):

	Three Months Ended March 31,	
	2020	2019
Lease revenues[1]		
Minimum lease revenue	$ 41,958	$ 44,528
Variable lease revenue	6,649	6,656
	$ 48,607	$ 51,184
Hotel operating income	3,501	11,334
	$ 52,108	$ 62,518

(1) Excludes net amortization income related to above and below-market leases of $0.8 million and $1.2 million for the three months ended March 31, 2020, respectively.

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 noncancellable operating leases, excluding variable lease revenue of tenant reimbursements, to be received over the next five years and thereafter as of March 31, 2020 (dollars in thousands):

Remainder of 2020	$ 87,398
2021	106,896
2022	99,485
2023	84,071
2024	73,324
2025 and thereafter	466,713
Total[(1)]	$ 917,887

(1) Excludes minimum future rents for real estate that is classified as held for sale totaling $40.9 million through 2046.

The following table presents approximate future minimum rental income under noncancellable operating leases to be received over the next five years and thereafter as of December 31, 2019 (dollars in thousands):

2020	$ 120,967
2021	113,170
2022	102,314
2023	85,367
2024	71,714
2025 and thereafter	448,812
Total	$ 942,344

The rental properties owned at March 31, 2020 are leased under noncancellable operating leases with current expirations ranging from 2020 to 2038, 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 noncancellable operating ground leases as lessee or sublessee with expiration dates through 2055. Rents on certain ground leases are paid directly by the tenants. Ground rent expense for the three months ended March 31, 2020 and 2019 was approximately $0.8 million for both periods.

Refer to Note 16, “Commitments and Contingencies” for the details of future minimum rental payments on noncancellable ground lease on real estate as of March 31, 2020.

Real Estate Asset Acquisitions

The following table summarizes the Company’s real estate asset acquisitions for the year ended December 31, 2019 (dollars in thousands):

				Purchase Price Allocation					
Acquisition Date	**Property Type and Location**	**Number of Buildings**	**Purchase Price[(1)]**	**Land and Improvements[(2)]**	**Building and Improvements[(2)]**	**Furniture, Fixtures and Equipment**	**Lease Intangible Assets[(2)]**	**Other Assets**	**Other Liabilities**
Year Ended December 31, 2019									
June	Retail - Massachusetts[(3)]	3	$ 21,919	$ 9,294	$ 6,598	$ —	$ 5,256	$ 1,538	$ (767)
January	Various - in U.S.[(3)]	28	105,437	38,145	66,413	—	879	3,223	(3,223)
			$ 127,356	$ 47,439	$ 73,011	$ —	$ 6,135	$ 4,761	$ (3,990)

(1) Dollar amounts of purchase price and allocation to assets acquired and liabilities assumed are translated using foreign exchange rate as of the respective dates of acquisitions, where applicable.
(2) Useful life of real estate acquired is 4 to 33 years for buildings, 1 to 20 years for site improvements, 1 to 27 years for tenant improvements, 5 to 7 years for furniture, fixtures and equipment, and 1 to 27 years for lease intangibles.
(3) Represents assets acquired by the Company through foreclosure.

Real Estate Held for Sale

The following table summarizes the Company's assets and related liabilities held for sale related to real estate (dollars in thousands):

	March 31, 2020	December 31, 2019
Assets		
Real estate, net	$ 229,252	$ 178,564
Deferred leasing costs and intangible assets, net	8,722	5,890
Total assets held for sale	$ 237,974	$ 184,454
Liabilities		
Intangible liabilities, net	$ 10,842	$ 294
Total liabilities related to assets held for sale	$ 10,842	$ 294

During the three months ended March 31, 2020, the Company classified several properties in its Legacy, Non-Strategic Portfolio as held for sale.

There were no assets held for sale that constituted discontinued operations as of March 31, 2020 and December 31, 2019.

Real Estate Sales

During the three months ended March 31, 2020, the Company completed the sale of six properties, including three office, one hotel, one multifamily and one manufactured housing for a total gross sales price of $172.6 million and a total loss on sale of $3.6 million. All properties were included in the Company's Legacy, Non-Strategic Portfolio.

The real estate sold during the three months ended March 31, 2020 did not constitute discontinued operations.

Refer to Note 19, "Subsequent Events" for further detail on additional real estate sales.

7. Deferred Leasing Costs and Other Intangibles

The Company's deferred leasing costs, other intangible assets and intangible liabilities, excluding those related to assets held for sale, at March 31, 2020 and December 31, 2019 are as follows (dollars in thousands):

	March 31, 2020		
	Carrying Amount	Accumulated Amortization	Net Carrying Amount
Deferred Leasing Costs and Intangible Assets			
In-place lease values	$ 98,820	$ (33,841)	$ 64,979
Deferred leasing costs	40,575	(13,593)	26,982
Above-market lease values	13,045	(6,499)	6,546
	$ 152,440	$ (53,933)	$ 98,507
Intangible Liabilities			
Below-market lease values	$ 19,492	$ (8,944)	$ 10,548

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

	December 31, 2019		
	Carrying Amount	Accumulated Amortization	Net Carrying Amount
Deferred Leasing Costs and Intangible Assets			
In-place lease values	$ 115,139	$ (39,093)	$ 76,046
Deferred leasing costs	42,345	(13,637)	28,708
Above-market lease values	14,318	(6,310)	8,008
	$ 171,802	$ (59,040)	$ 112,762
Intangible Liabilities			
Below-market lease values	$ 32,652	$ (10,503)	$ 22,149

The following table summarizes the amortization of deferred leasing costs, intangible assets and intangible liabilities for the three months ended March 31, 2020 and 2019 (dollars in thousands):

	Three Months Ended March 31,	
	2020	2019
Above-market lease values	$ (832)	$ (1,013)
Below-market lease values	1,236	1,625
Net increase (decrease) to property operating income	$ 404	$ 612
In-place lease values	$ 4,350	$ 5,474
Deferred leasing costs	1,647	2,139
Other intangibles	(24)	119
Amortization expense	$ 5,973	$ 7,732

The following table presents the amortization of deferred leasing costs, intangible assets and intangible liabilities, excluding those related to assets and liabilities held for sale, for each of the next five years and thereafter as of March 31, 2020 (dollars in thousands):

	2020	2021	2022	2023	2024	2025 and thereafter	Total
Above-market lease values	$ 1,844	$ 1,672	$ 1,351	$ 696	$ 516	$ 467	$ 6,546
Below-market lease values	(3,347)	(4,043)	(2,875)	(178)	(44)	(61)	(10,548)
Net increase (decrease) to property operating income	$ (1,503)	$ (2,371)	$ (1,524)	$ 518	$ 472	$ 406	$ (4,002)
In-place lease values	$ 9,632	$ 10,269	$ 7,500	$ 4,680	$ 3,737	$ 29,161	$ 64,979
Deferred leasing costs	4,712	5,047	4,252	3,086	1,863	8,022	26,982
Amortization expense	$ 14,344	$ 15,316	$ 11,752	$ 7,766	$ 5,600	$ 37,183	$ 91,961

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

8. Restricted Cash, Other Assets and Accrued and Other Liabilities

The following table presents a summary of restricted cash as of March 31, 2020 and December 31, 2019 (dollars in thousands):

	March 31, 2020	December 31, 2019
Restricted cash:		
Margin pledged as collateral	$ 83,401	$ 19,536
Borrower escrow deposits	49,499	74,496
Real estate escrow reserves	15,132	18,020
Capital expenditure reserves	7,029	8,882
Working capital and other reserves	3,231	4,198
Tenant lockboxes	1,229	933
Total	$ 159,521	$ 126,065

The following table presents a summary of other assets as of March 31, 2020 and December 31, 2019 (dollars in thousands):

	March 31, 2020	December 31, 2019
Other assets:		
Right-of-use lease asset	$ 24,255	$ 25,480
Prepaid taxes and deferred tax assets	22,440	21,989
Deferred financing costs, net - credit facilities	7,815	8,382
Prepaid expenses	6,568	5,311
Investment deposits and pending deal costs	935	20,779
Other assets	621	1,644
Derivative asset	9	4,122
Total	$ 62,643	$ 87,707

The following table presents a summary of accrued and other liabilities as of March 31, 2020 and December 31, 2019 (dollars in thousands):

	March 31, 2020	December 31, 2019
Accrued and other liabilities:		
Derivative liability	$ 33,344	$ 19,133
Current and deferred tax liability	28,679	31,510
Operating lease liability	24,295	25,495
Accounts payable, accrued expenses and other liabilities	23,273	28,278
Interest payable	17,103	16,259
Prepaid rent and unearned revenue	14,464	16,744
Tenant security deposits	2,459	3,005
Unfunded CECL loan allowance	2,339	—
Total	$ 145,956	$ 140,424

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

9. Debt

The following table presents debt as of March 31, 2020 and December 31, 2019 (dollars in thousands):

	Capacity ($)	Recourse vs. Non-Recourse[1]	Final Maturity	Contractual Interest Rate		March 31, 2020 Principal Amount[2]	March 31, 2020 Carrying Value[2]	December 31, 2019 Principal Amount[2]	December 31, 2019 Carrying Value[2]
Securitization bonds payable, net									
CLNC 2019-FL1[3]		Non-recourse	Aug-35	LIBOR + 1.59%		$ 840,423	$ 833,671	$ 840,423	$ 833,153
Subtotal securitization bonds payable, net						840,423	833,671	840,423	833,153
Mortgage and other notes payable, net									
Net lease 6[4]		Non-recourse	Oct-27	4.45%		23,990	23,990	24,117	24,117
Net lease 5[5]		Non-recourse	Nov-26	4.45%		3,406	3,317	3,422	3,329
Net lease 4[5]		Non-recourse	Nov-26	4.45%		7,349	7,157	7,384	7,184
Net lease 3[5]		Non-recourse	Jun-21	4.00%		12,364	12,296	12,450	12,368
Net lease 6[5]		Non-recourse	Jul-23	LIBOR + 2.15%		1,550	1,510	1,658	1,615
Net lease 5[4]		Non-recourse	Aug-26	4.08%		31,677	31,406	31,821	31,539
Net lease 1[5][6]		Non-recourse	Nov-26	4.45%		18,492	18,007	18,579	18,076
Net lease 1[7]		Non-recourse	Mar-28	4.38%		12,166	11,716	12,221	11,758
Net lease 4[4]		Non-recourse	Apr-21[8]	LIBOR + 2.50%		74,916	74,916	74,916	74,845
Net lease 1[4]		Non-recourse	Jul-25	4.31%		250,000	247,090	250,000	246,961
Net lease 2[4][9]		Non-recourse	Jun-25	3.91%		152,768	154,934	181,952	184,532
Net lease 3[4]		Non-recourse	Sep-33	4.77%		200,000	198,541	200,000	198,521
Other real estate 4[5]		Non-recourse	Dec-23	4.84%		42,705	43,152	42,925	43,407
Other real estate 2[5][10]		Non-recourse	Dec-23	4.94%		—	—	42,443	42,851
Other real estate 8[5]		Non-recourse	Jan-24	5.15%		15,764	16,270	15,819	16,324
Other real estate 10[5][11]		Non-recourse	Dec-20	5.34%		11,683	11,879	11,744	11,939
Other real estate 9[5]		Non-recourse	Nov-26	3.98%		23,774	23,022	23,885	23,133
Other real estate 1[5]		Non-recourse	Oct-24	4.47%		108,311	109,019	108,719	109,475
Other real estate 3[5]		Non-recourse	Jan-25	4.30%		74,803	74,148	75,256	74,554
Other real estate 5[5][10]		Non-recourse	Apr-23	LIBOR + 4.00%		—	—	33,498	32,801
Other real estate 6[5][12]		Non-recourse	Apr-24	LIBOR + 2.95%		21,500	20,922	21,500	20,825
Loan 9[13]		Non-recourse	Jun-24	LIBOR + 3.00%		69,559	69,559	65,958	65,958
Subtotal mortgage and other notes payable, net						1,156,777	1,152,851	1,260,267	1,256,112
Bank credit facility									
Bank credit facility[14]	$ 560,000	Recourse	Feb-23 [15]	LIBOR + 2.25%		340,000	340,000	113,500	113,500
Subtotal bank credit facility						340,000	340,000	113,500	113,500
Master repurchase facilities									
Bank 1 facility 3	$ 400,000	Limited Recourse[16]	Apr-23[17]	LIBOR + 1.93%	[18]	109,404	109,404	106,309	106,309
Bank 2 facility 3	200,000	Limited Recourse[16]	Oct-22[19]	LIBOR + 2.50%	[18]	22,750	22,750	22,750	22,750
Bank 3 facility 3	600,000	Limited Recourse[16]	Apr-22	LIBOR + 2.19%	[18]	222,147	222,147	265,633	265,633
Bank 7 facility 1	500,000	Limited Recourse[16]	Apr-22[20]	LIBOR + 1.93%	[18]	199,740	199,740	221,421	221,421
Bank 8 facility 1	250,000	Limited Recourse[16]	Jun-21[21]	LIBOR + 2.00%	[18]	168,987	168,987	164,098	164,098
Bank 9 facility 1	300,000	[22]	Nov-23[23]	[24]	[18]	—	—	—	—
Subtotal master repurchase facilities	$ 2,250,000					723,028	723,028	780,211	780,211

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

	Capacity ($)	Recourse vs. Non-Recourse[1]	Final Maturity	Contractual Interest Rate		March 31, 2020 Principal Amount[2]	March 31, 2020 Carrying Value[2]	December 31, 2019 Principal Amount[2]	December 31, 2019 Carrying Value[2]
CMBS credit facilities									
Bank 1 facility 1		Recourse	(25)	LIBOR + 1.82%	(18)	13,477	13,477	20,375	20,375
Bank 1 facility 2		Recourse	(25)	LIBOR + 3.00%	(18)	12,907	12,907	18,834	18,834
Bank 3 facility		Recourse	(25)	NA	(26)	—	—	—	—
Bank 4 facility		Recourse	(25)	NA	(26)	—	—	—	—
Bank 5 facility 1		Recourse	(25)	NA	(26)	—	—	—	—
Bank 5 facility 2		Recourse	(25)	NA	(26)	—	—	—	—
Bank 6 facility 1		Recourse	(25)	(27)		86,035	86,035	83,584	83,584
Bank 6 facility 2		Recourse	(25)	(27)		84,972	84,972	82,729	82,729
Subtotal CMBS credit facilities						197,391	197,391	205,522	205,522
Subtotal credit facilities						1,260,419	1,260,419	1,099,233	1,099,233
Total						$ 3,257,619	$ 3,246,941	$ 3,199,923	$ 3,188,498

(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 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.
(4) Represents a mortgage note collateralized by an investment in the Company's Core Portfolio.
(5) Represents a mortgage note collateralized by an investment in the Company's Legacy, Non-Strategic Portfolio.
(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) Represents a mortgage note collateralized by three properties in the Company's Legacy, Non-Strategic Portfolio.
(8) The current maturity of the mortgage payable is April 2020, with a one-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. The Company exercised this extension option subsequent to March 31, 2020.
(9) As of March 31, 2020, the outstanding principal of the mortgage payable was NOK 1.6 billion, which translated to $152.8 million.
(10) Represents a mortgage note that was repaid during the first quarter of 2020 in connection with the sale of the collateralized properties.
(11) Represents two separate senior mortgage notes with a weighted average maturity of December 2020 and weighted average interest rate of 5.34%.
(12) The current maturity of the mortgage payable is April 2022, 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) The current maturity of the note payable is June 2021, with three 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. The loan is included in the Company's Core Portfolio.
(14) Facility size reduced on May 6, 2020 to $450.0 million.
(15) 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.
(16) Recourse solely with respect to 25.0% of the financed amount.
(17) The next maturity date is April 2021, with two 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.
(18) Represents the weighted average spread as of March 31, 2020. The contractual interest rate depends upon asset type and characteristics and ranges from one-month London Interbank Offered Rates ("LIBOR") plus 1.10% to 3.00%.
(19) The next maturity date is October 2020, with two one-year extension options available, which may be subject to the satisfaction of certain customary conditions set forth in the governing documents.
(20) The next maturity date is April 2021, with a one-year extension available, which may be subject to the satisfaction of certain customary conditions set forth in the governing documents.
(21) The next maturity date is June 2020, with a one-year extension available, which may be subject to the satisfaction of certain customary conditions set forth in the governing documents.
(22) Recourse is either 25.0% or 50.0% depending on loan metrics.
(23) The next maturity date is November 2021, with two one-year extension options available, which may be subject to the satisfaction of certain customary conditions set forth in the governing documents.
(24) The interest rate will be determined by the lender in its sole discretion.
(25) The maturity dates on the CMBS Credit Facilities are dependent upon asset type and will typically range from one to three months.
(26) CMBS Credit Facilities are undrawn and fully available.
(27) Bank 6 Facilities 1 and 2 both have fixed and floating rate financing. Bank 6 Facility 1 consists of $22.6 million financed with a fixed rate of 4.50% and $63.4 million financed with a weighted average interest rate of LIBOR plus 1.77%. Bank 6 Facility 2 consists of $45.5 million financed with a fixed rate of 4.50% and $39.5 million financed with a weighted average interest rate of LIBOR plus 1.50%.

Future Minimum Principal Payments

The following table summarizes future scheduled minimum principal payments at March 31, 2020 based on initial maturity dates or extended maturity dates to the extent criteria are met and the extension option is at the borrower's discretion (dollars in thousands):

	Total	Securitization Bonds Payable, Net	Mortgage Notes Payable, Net[1]	Credit Facilities[1]
Remainder of 2020	$ 211,060	$ —	$ 13,669	$ 197,391
2021	258,421	—	89,434	168,987
2022	447,157	—	2,520	444,637
2023	494,529	—	45,125	449,404
2024	217,353	—	217,353	—
2025 and thereafter	1,629,099	840,423	788,676	—
Total	$ 3,257,619	$ 840,423	$ 1,156,777	$ 1,260,419

(1) Includes $131.3 million of future minimum principal payments related to assets held for sale.

Bank Credit Facility

On February 1, 2018, the Company, through subsidiaries, including the OP, 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"). On February 4, 2019, the aggregate amount of revolving commitments was increased to $560.0 million and on May 6, 2020 these commitments were reduced to $450.0 million. The Bank Credit Facility will mature on February 1, 2022, unless the OP elects to extend the maturity date for up to 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, 2020, the borrowing base valuation was sufficient to support the outstanding principal amount of $340.0 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%. The Company pays a commitment fee of 0.25% or 0.35% per annum of the unused amount (0.25% at March 31, 2020), depending upon the amount of facility utilization.

Substantially all material wholly owned subsidiaries of the Company guarantee the obligations of the Company and any other borrowers under the Bank Credit Facility. As security for the advances under the Bank Credit Facility, the Company pledged substantially all equity interests it owns and granted a security interest in deposit accounts 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 specified in the Bank Credit Facility. At March 31, 2020, the Company was in compliance with all of the financial covenants.

Refer to Note 19, "Subsequent Events" for further discussion regarding the status of the Company's Bank Credit Facility.

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.

In October 2019, the Company executed a securitization transaction, through wholly-owned subsidiaries, CLNC 2019-FL1, Ltd. and CLNC 2019-FL1, LLC (collectively, "CLNC 2019-FL1"), which resulted in the sale of $840.4 million of investment grade notes. The securitization reflects an advance rate of 83.5% at a weighted average cost of funds of LIBOR plus 1.59%, and is collateralized by a pool of 22 senior loans originated by the Company.

As of March 31, 2020, the Company had $1.0 billion carrying value of CRE debt investments financed with $840.4 million of securitization bonds payable, net.

Master Repurchase Facilities

As of March 31, 2020, the Company, through subsidiaries, had entered into repurchase agreements with multiple global financial institutions to provide an aggregate principal amount of up to $2.3 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, 2020, the Company was in compliance with all of its financial covenants under the Master Repurchase Facilities.

As of March 31, 2020, the Company had $1.0 billion carrying value of CRE debt investments financed with $723.0 million under the master repurchase facilities.

During the three months ended March 31, 2020, the Company received and timely paid a margin call on a hospitality loan and made voluntarily paydowns on two other hospitality and one retail loan. The lender granted the Company a holiday from future margin calls between three and four months, and it obtained broader discretion to enter into permitted modifications with the borrowers on these three specific loans, if necessary.

Refer to Note 19, "Subsequent Events" for further discussion regarding the status of the Company's Master Repurchase Facilities.

CMBS Credit Facilities

As of March 31, 2020, the Company entered into eight 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, 2020, the Company had $178.3 million carrying value of CRE securities financed with $172.8 million under its CMBS Credit Facilities. As of March 31, 2020, the Company had $28.5 million carrying value of underlying investments in the subordinate tranches of the securitization trusts financed with $24.6 million under its CMBS Credit Facilities.

During the three months ended March 31, 2020, the Company received and timely paid margin calls on its CMBS master repurchase facilities of $48.9 million.

Refer to Note 19, "Subsequent Events" for further discussion regarding the status of the Company's CMBS Credit Facilities.

10. 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 is 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 Date 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 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.

In November 2019 the Manager, the Company and the OP amended and restated the Management Agreement to modify the "Core Earnings" definition, providing that "unrealized provisions for loan losses and real estate impairments" shall only be applied as exclusions from the definition of Core Earnings if approved by a majority of the independent directors of the Company. Such change became effective during the fourth quarter of 2019 and results in a reduction to Core Earnings which thereby reduces the annual management fee and any incentive fee paid by the Company due to accumulated unrealized provisions for loan losses and real estate impairments to date.

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 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 and (3) any incentive fee (as described below) paid to the Manager since the Closing Date.

For the three months ended March 31, 2020 and 2019, the total management fee expense incurred was $7.9 million and $11.4 million, respectively. As of March 31, 2020 and December 31, 2019, $8.2 million and $8.4 million, respectively, of unpaid management fee were included in due to related party in the Company's consolidated balance sheets.

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, 2020 and 2019.

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 the 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.

For the three months ended March 31, 2020 and 2019, the total reimbursements of expenses incurred by the Manager on behalf of the Company and reimbursable in accordance with the Management Agreement was $2.7 million and is included in administrative expense on the consolidated statements of operations. As of both March 31, 2020 and December 31, 2019, there were $2.7 million of unpaid expenses included in due to related party in the Company's consolidated balance sheets.

Other Payables to Manager

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

For the three months ended March 31, 2020, there were no other payables to the Manager. For the three months ended March 31, 2019, the other payables to the Manager was $1.6 million related to tax obligations associated with the vesting of restricted common stock and was included in due to related party in the Company's consolidated balance sheet as of March 31, 2019. This was paid as of March 31, 2020.

Equity Plan Grants

In March 2019, the Company granted 800,000 shares to the Manager and/or employees thereof under the 2018 Equity Incentive Plan (the "2018 Plan"). In March 2018, the Company granted 978,946 shares to its non-independent directors, officers and the Manager and/or employees thereof under the 2018 Plan. 735,473 shares remain granted and unvested as of March 31, 2020. See Note 11, "Equity-Based Compensation" for further discussion on the 2018 Plan including shares issued to independent directors of the Company. In connection with these grants, the Company recognized share-based compensation expense of $0.2 million and $1.8 million to its Manager within administrative expense in the consolidated statement of operations for the three months ended March 31, 2020 and March 31, 2019, respectively.

Colony Capital, Inc. Internalization Discussions with the Company

On April 1, 2020, Colony Capital reported in Amendment No. 3 to the Schedule 13D filed with the SEC that it has postponed any decision regarding a disposition of its management agreement with the Company until market conditions improve due to ongoing uncertainty surrounding the duration and magnitude of the COVID-19 pandemic and its impact on the global economy.

Investment Activity

All investment acquisitions are approved in accordance with the Company's investment and related party guidelines, which may include approval by either the audit committee or disinterested members of the Company's Board of Directors. No investment by the Company will require approval under the related party transaction policy solely because such investment constitutes a co-investment made by and between the Company and any of its subsidiaries, on the one hand, and one or more investment vehicles formed, sponsored, or managed by an affiliate of the Manager on the other hand.

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. In June 2018, the Company increased its commitment to $101.8 million in connection with the joint venture bifurcating the mezzanine loan into a mezzanine loan and a preferred equity investment. The Company's interest in both the underlying mezzanine loan and preferred equity investment is 31.8%, and the affiliate entities own the remaining 68.2%. Both the underlying mezzanine loan and preferred equity investment carry a fixed 13.0% interest rate. This investment is recorded in investments in unconsolidated ventures in the Company's consolidated balance sheets. In July 2019, the Company increased its commitment in the mezzanine loan from $101.8 million to $189.0 million. The Company's interest in the upsized mezzanine loan is 45.2% and it carries a fixed 13.0% interest rate. As of March 31, 2020, the Company had an unfunded commitment of $32.2 million remaining.

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 affiliate has a 27.2% ownership interest in the borrower. The preferred equity investment carries a fixed 12.0% interest rate. This investment is recorded in loans and preferred equity held for investment, net in the Company's consolidated balance sheets.

In July 2018, the Company acquired a $326.8 million Class A office campus located in Norway from an affiliate of the Company's Manager. In connection with the purchase, the Company assumed senior mortgage financing from a private bond issuance of $197.7 million. The bonds have a five-year term remaining, and carry a fixed interest rate of 3.91%.

In July 2018, the Company entered into a joint venture to invest in a development project for land and a Grade A office building in Ireland. The Company agreed to invest up to $69.9 million of the $139.7 million total commitment. The Company co-invested along with two affiliates of the Manager, with the Company owning 50.0% of the joint venture and the affiliate entities owning the remaining 50.0%. The joint venture invested in a senior mortgage loan of $66.7 million with a fixed interest rate of 12.5% and a maturity date of 3.5 years from origination and common equity.

In October 2018, the Company entered into a joint venture to invest in a mixed-use development project in Ireland. The Company agreed to invest up to $162.4 million of the $266.5 million total commitment. The Company co-invested along with two affiliates of the Manager, with the Company owning 61.0% of the joint venture and the affiliate entities owning the remaining 39.0%. The joint venture invested in a senior mortgage loan with a fixed interest rate of 15.0% and a maturity date of two years from origination.

In October 2018, the Company acquired a $20.0 million mezzanine loan from an affiliate of the Company's Manager, secured by a pledge of an ownership interest in a luxury condominium development project located in New York, NY. The loan bears interest at 9.5% plus LIBOR. The borrower repaid the loan in February 2020.

11. Equity-Based Compensation

On January 29, 2018 the Company's Board of Directors adopted the 2018 Plan. The 2018 Plan permits the grant of 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; (iii) restricted stock awards; (iv) stock units; (v) unrestricted stock awards; (vi) dividend equivalent rights; (vii) performance awards; (viii) annual cash incentive awards; (ix) long-term incentive units; and (x) 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 in May 2019 to the independent directors of the Company under the 2018 Plan vest in May 2020. Shares granted to non-independent directors, officers and the Manager under the 2018 Plan vest ratably in three annual installments.

The table below summarizes our awards granted, forfeited or vested under the 2018 Plan during the three months ended March 31, 2020:

	Number of Shares		Weighted Average Grant Date Fair Value
	Restricted Stock	Total	
Unvested Shares at December 31, 2019	1,335,590	1,335,590	$ 17.79
Granted	—	—	—
Vested	(427,841)	(427,841)	17.36
Forfeited	(172,276)	(172,276)	17.25
Unvested shares at March 31, 2020	735,473	735,473	$ 17.65

Fair value of equity awards that vested during the three months ended March 31, 2020 and March 31, 2019, determined based on their respective fair values at vesting date, was $2.6 million and $4.9 million, respectively. Fair value of granted awards is determined based on the closing price of the Class A common stock on the date of grant of the awards. Equity-based compensation is classified within administrative expense in the consolidated statement of operations.

At March 31, 2020, aggregate unrecognized compensation cost for all unvested equity awards was $7.5 million, which is expected to be recognized over a weighted-average period of 1.7 years.

12. Stockholders' Equity

Authorized Capital

As of March 31, 2020, the Company had the authority to issue up to 1.0 billion shares of stock, at $0.01 par value per share, consisting of 950.0 million shares of Class A common stock and 50.0 million shares of preferred stock. On February 1, 2019, the Class B-3 common stock automatically converted to Class A common stock and each unissued share of Class B-3 common stock was automatically reclassified as one share of Class A common stock.

The Company had no shares of preferred stock issued and outstanding as of March 31, 2020.

Dividends

During the three months ended March 31, 2020, the Company declared the following dividends on its common stock:

Declaration Date	Record Date	Payment Date	Per Share
January 15, 2020	January 31, 2020	February 10, 2020	$0.10
February 14, 2020	February 29, 2020	March 10, 2020	$0.10
March 16, 2020	March 31, 2020	April 10, 2020	$0.10

Subsequent to March 31, 2020, the Company and its Board of Directors suspended the Company's monthly stock dividend beginning with the monthly period ending April 30, 2020. Refer to Note 19, "Subsequent Events" for further discussion regarding the monthly stock dividend.

Stock Repurchase Program

The Company's Board of Directors authorized a stock repurchase program (the "Stock Repurchase Program"), under which the Company could repurchase up to $300.0 million of its outstanding Class A common stock until March 31, 2020. On February 18, 2020, the Company's Board of Directors voted to extend the Stock Repurchase Program through March 31, 2021. 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, 2020, the Company had not repurchased any shares under the Stock Repurchase Program.

Accumulated Other Comprehensive Income (Loss)

The following tables present the changes in each component of Accumulated Other Comprehensive Income (Loss) ("AOCI") attributable to stockholders and noncontrolling interests in the OP, net of immaterial tax effect.

Changes in Components of AOCI - Stockholders

(in thousands)	Unrealized gain (loss) on real estate securities, available for sale	Unrealized gain on net investment hedges	Foreign currency translation loss	Total
AOCI at December 31, 2019	$ 15,909	$ 25,872	$ (13,487)	$ 28,294
Other comprehensive income (loss)	(73,273)	21,255	(18,981)	(70,999)
AOCI at March 31, 2020	$ (57,364)	$ 47,127	$ (32,468)	$ (42,705)

(in thousands)	Unrealized gain (loss) on real estate securities, available for sale	Unrealized gain on net investment hedges	Foreign currency translation loss	Total
AOCI at December 31, 2018	$ (1,295)	$ 11,037	$ (10,141)	$ (399)
Other comprehensive income (loss)	9,530	7,222	(3,233)	13,519
AOCI at March 31, 2019	$ 8,235	$ 18,259	$ (13,374)	$ 13,120

Changes in Components of AOCI - Noncontrolling Interests in the OP

(in thousands)	Unrealized gain on real estate securities, available for sale	Unrealized gain (loss) on net investment hedges	Foreign currency translation gain (loss)	Total
AOCI at December 31, 2019	$ 612	$ 893	$ (801)	$ 704
Other comprehensive income (loss)	(1,756)	509	(455)	(1,702)
AOCI at March 31, 2020	$ (1,144)	$ 1,402	$ (1,256)	$ (998)

(in thousands)	Unrealized gain (loss) on real estate securities, available for sale	Unrealized gain on net investment hedges	Foreign currency translation loss	Total
AOCI at December 31, 2018	$ (32)	$ 268	$ (246)	$ (10)
Other comprehensive income (loss)	228	173	(77)	324
AOCI at March 31, 2019	$ 196	$ 441	$ (323)	$ 314

13. Noncontrolling Interests

Operating Partnership

Noncontrolling interests include the aggregate limited partnership interests in the OP held by RED REIT. Net income (loss) attributable to the noncontrolling interests is based on the limited partners' ownership percentage of the OP. Net loss attributable to the noncontrolling interests of the OP was $1.9 million for the three months ended March 31, 2020. Net income attributable to the noncontrolling interests of the OP for the three months ended March 31, 2019 was $0.3 million.

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, 2020 was $0.5 million. Net loss attributable to noncontrolling interests in the investment entities for the three months ended March 31, 2019 was $0.3 million.

14. 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 either 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, or pending sales prices, if applicable. This fair value measurement is generally based on unobservable inputs and, as such, is classified as Level 3 of the fair value hierarchy, unless the PE Investments are valued based on pending sales prices, which are classified as Level 2 of the fair value hierarchy. The Company considers cash flow and NAV information provided by general partners of the underlying funds ("GP NAV") and the implied yields of those funds in valuing its PE Investments. The Company also considers the values derived from the valuation model as a percentage of GP NAV, and compares the resulting

percentage of GP NAV to precedent transactions, independent research, industry reports as well as pricing from executed purchase and sale agreements related to the disposition of its PE Investments. The Company may, as a result of that comparison, apply a mark-to-market adjustment. 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 5, “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.

Derivatives

Derivative instruments consist of interest rate contracts and foreign exchange contracts that are generally traded over-the-counter, and are valued using a third-party service provider. Quotations on over-the counter derivatives are not adjusted and are generally valued using observable inputs such as contractual cash flows, yield curve, foreign currency rates and credit spreads, and are classified as Level 2 of the fair value hierarchy. Although credit valuation adjustments, such as the risk of default, rely on Level 3 inputs, these inputs are not significant to the overall valuation of its derivatives. As a result, derivative valuations in their entirety are classified as Level 2 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, 2020 and December 31, 2019 by level within the fair value hierarchy (dollars in thousands):

	March 31, 2020				December 31, 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets:								
Investments in unconsolidated ventures - PE Investments	$ —	$ 124	$ 8,640	$ 8,764	$ —	$ 1,425	$ 8,858	$ 10,283
Real estate securities, available for sale	—	179,572		179,572	—	252,824	—	252,824
Mortgage loans held in securitization trusts, at fair value	—	—	1,822,991	1,822,991	—	—	1,872,970	1,872,970
Other assets - derivative assets	—	9	—	9	—	4,122	—	4,122
Liabilities:								
Mortgage obligations issued by securitization trusts, at fair value	$ —	$ 1,732,388	$ —	$ 1,732,388	$ —	$ 1,762,914	$ —	$ 1,762,914
Other liabilities - derivative liabilities	—	33,344	—	33,344	—	19,133	—	19,133

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, 2020 and year ended December 31, 2019 (dollars in thousands):

	Three Months Ended March 31, 2020		Year Ended December 31, 2019	
	Investments in unconsolidated ventures - PE Investments	Mortgage loans held in securitization trusts[1]	Investments in unconsolidated ventures - PE Investments	Mortgage loans held in securitization trusts[1]
Beginning balance	$ 8,858	$ 1,872,970	$ 160,851	$ 3,116,978
Contributions[2]/purchases	—	—	151	—
Distributions/paydowns	(887)	(6,578)	(18,407)	(55,288)
Deconsolidation of securitization trust[3]	—	—	—	(1,239,627)
Equity in earnings	669	—	—	—
Sale of investments	—	—	(48,930)	(39,848)
Transfers out of Level 3		—	(84,807)	—
Unrealized gain (loss) in earnings	—	(43,401)	—	87,983
Realized gain in earnings		—	—	2,772
Ending balance	$ 8,640	$ 1,822,991	$ 8,858	$ 1,872,970

(1) For the three months ended March 31, 2020, unrealized loss of $43.4 million related to mortgage loans held in securitization trusts, at fair value was offset by unrealized gain of $23.9 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.
(3) In July 2019, the Company sold its retained investments in the subordinate tranches of one securitization trust. As a result of the sale, the Company deconsolidated one of the securitization trusts. See Note 5, “Real Estate Securities, Available for Sale” for further information.

Transfers of assets into or out of Level 3 are presented at their fair values as measured at the end of the reporting period. Assets transferred out of Level 3 represent PE Investments that were valued based on their contracted sales price in March 2019.

As of March 31, 2020 and December 31, 2019, the Company utilized a discounted cash flow model, comparable precedent transactions and other market information to quantify Level 3 fair value measurements on a recurring basis. As of March 31, 2020 and December 31, 2019, the key unobservable inputs used in the analysis of PE Investments included discount rates with a range of 11.0% to 12.0% and timing and amount of expected future cash flows. As of March 31, 2020 and December 31, 2019, the key unobservable inputs used in the valuation of mortgage obligations issued by securitization trusts included yields ranging from

14.2% to 34.1% and 15.0% to 16.1%, respectively, and a weighted average life of 5.6 and 5.4 years, respectively. 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, 2020 and March 31, 2019 the Company recorded a net unrealized loss of $19.5 million and a net unrealized gain of $1.0 million respectively, 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, 2020, the company did not record a realized gain on mortgage loans held in securitization trusts, at fair value. For the three months ended March 31, 2019, the Company recorded a de minimis realized gain on mortgage loans held in securitization trusts, at fair value, which represents a recovery of a loss previously recorded in 2018. This amount is recorded as realized gain on mortgage loans and obligations held in securitization trusts, net 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, 2020 and December 31, 2019, 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, 2020 and December 31, 2019 (dollars in thousands):

	March 31, 2020			December 31, 2019		
	Principal Amount	Carrying Value	Fair Value	Principal Amount	Carrying Value	Fair Value
Financial assets:[1]						
Loans and preferred equity held for investment, net	$ 2,413,251 [2]	$ 2,351,278	$ 2,361,776	$ 2,858,423 [2]	$ 2,576,332	$ 2,470,561
Financial liabilities:[1]						
Securitization bonds payable, net	$ 840,423	$ 833,671	$ 840,423	$ 840,423	$ 833,153	$ 840,423
Mortgage and other notes payable, net	1,156,777	1,152,851	1,156,461	1,260,267	1,256,112	1,260,675
Master repurchase facilities	1,260,419	1,260,419	1,260,419	1,099,233	1,099,233	1,099,233

(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 $236.7 million and $276.6 million as of March 31, 2020 and December 31, 2019, respectively.

Disclosure about fair value of financial instruments is based on pertinent information available to management as of March 31, 2020. 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 and Preferred Equity Held for Investment, Net

For loans and preferred equity 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 and preferred equity held for investment are presented net of allowance for loan losses, where applicable.

Securitization Bonds Payable, Net

The Company's securitization bonds payable, net bear floating rates of interest. As of March 31, 2020, 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.

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 March 31, 2020, 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 and cash equivalents, receivables, and accrued and other liabilities approximate fair value due to their short term nature and credit risk, if any, are negligible.

Nonrecurring Fair Values

The Company measures fair value of certain assets on a nonrecurring basis when events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. Adjustments to fair value generally result from the application of lower of amortized cost or fair value accounting for assets held for sale or write-down of asset values due to impairment.

The following table summarizes assets carried at fair value on a nonrecurring basis as of March 31, 2020 and December 31, 2019 (dollars in thousands):

	March 31, 2020				December 31, 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Loans and preferred equity held for investment, net	$ —	$ —	$ 2,351,278	$ 2,351,278	$ —	$ —	$ 104,797	$ 104,797
Loans held for sale	—	—	21,191	21,191	—	—	5,016	5,016
Real estate, net	—	—	344,726	344,726	—	—	448,690	448,690
Real estate assets held for sale	—	—	162,403	162,403	—	—	134,966	134,966
Investments in unconsolidated ventures	—	—	195,393	195,393	—	—	211,024	211,024
Deferred leasing costs and intangible assets, net	—	—	34,005	34,005	—	—	42,122	42,122

The following table summarizes the fair value write-downs to assets carried at nonrecurring fair values during the periods presented (dollars in thousands):

	Three Months Ended March 31,	
	2020	2019
Provision for loan losses:		
Loans and preferred equity held for investment, net	$ 31,499	$ —
Loans held for sale	36,783	—
Total provision for loan losses	$ 68,282	$ —

Loans and preferred equity held for investment, net—Provision for loan losses consisted of the Company's CECL provision for loan losses in the Core Portfolio, as well as one loan that the company individually evaluated for impairment in the Company's Core Portfolio, which reflected the reduction of the estimated fair value of the collateral. The fair value of the loans collateral was determined by applying a terminal cap rate of 13%. The Company recorded $31.5 million of provision for loan losses in its Core Portfolio during the three months ended March 31, 2020.

Loans held for sale— Provision for loan losses consisted of one loan in the Company's Legacy, Non-Strategic Portfolio. During the three months ended March 31, 2020 the significant detrimental impact of COVID-19 on the U.S. hospitality industry further contributed to the deterioration of the Company's four NY hospitality loans and as such the Company recorded an additional provision for loan losses of $36.8 million. On April 22, 2020, the Company completed a discounted payoff of the NY hospitality loans and related investment interests.

15. Derivatives

The Company uses derivative instruments to manage the risk of changes in interest rates and foreign exchange rates, arising from both its business operations and economic conditions. Specifically, the Company enters into derivative instruments to manage differences in the amount, timing, and duration of the Company's known or expected cash receipts and cash payments, the values of which are driven by interest rates, principally relating to the Company's investments. Additionally, the Company's foreign operations expose the Company to fluctuations in foreign exchange rates. The Company enters into derivative instruments to protect the value or fix certain of these foreign denominated amounts in terms of its functional currency, the U.S. dollar. Derivative instruments used in the Company's risk management activities may be designated as qualifying hedge accounting relationships designated hedges or non-designated hedges.

As of March 31, 2020 and December 31, 2019, fair value of derivative assets and derivative liabilities were as follows (dollars in thousands):

	March 31, 2020			December 31, 2019		
	Designated Hedges	Non-Designated Hedges	Total	Designated Hedges	Non-Designated Hedges	Total
Derivative Assets						
Foreign exchange contracts	$ —	$ —	$ —	$ —	$ 4,122	$ 4,122
Interest rate contracts	—	9	9	—	—	—
Included in other assets	$ —	$ 9	$ 9	$ —	$ 4,122	$ 4,122
Derivative Liabilities						
Foreign exchange contracts	$ —	$ —	$ —	$ (2,128)	$ (29)	$ (2,157)
Interest rate contracts	—	(33,344)	(33,344)	—	(16,976)	(16,976)
Included in accrued and other liabilities	$ —	$ (33,344)	$ (33,344)	$ (2,128)	$ (17,005)	$ (19,133)

As of March 31, 2020, the Company posted $14.5 million in net cash collateral to counterparties for its derivative contracts and those counterparties held $33.4 million in cash collateral.

The following table summarizes the Company's interest rate contracts as of March 31, 2020:

Type of Derivatives	Notional Currency	Notional Amount (in thousands)		Range of Maturity Dates
		Designated	Non-Designated	
Interest Rate Swap	USD	$ —	$ 366,730	April 2020 - August 2028

The table below represents the effect of the derivative financial instruments on the consolidated statements of operations and of comprehensive income (loss) for the three months ended March 31, 2020 and 2019 (dollars in thousands):

	Three Months Ended March 31,	
	2020	2019
Other gain (loss), net		
Non-designated foreign exchange contracts	$ (4,084)	$ 237
Non-designated interest rate contracts	(16,370)	(4,083)
	$ (20,454)	$ (3,846)
Other income		
Non-designated foreign exchange contracts	$ 8,738	$ —
	$ 8,738	$ —
Accumulated other comprehensive income (loss)		
Designated foreign exchange contracts	$ 21,764	$ 7,395
	$ 21,764	$ 7,395

During the three months ended March 31, 2020, the Company received $28.2 million from the unwind of its NOK and EUR FX forwards and realized a gain of $8.7 million which is included in other income on its consolidated statements of operations.

At the end of each quarter, the Company reassesses the effectiveness of its net investment hedges and as appropriate, dedesignates the portion of the derivative notional that is in excess of the beginning balance of its net investments as non-designated hedges. Any unrealized gain or loss on the dedesignated portion of net investment hedges is transferred into earnings, recorded in other gain (loss), net. During the three months ended March 31, 2020 and 2019, no gain (loss) was transferred from accumulated other comprehensive income (loss).

Offsetting Assets and Liabilities

The Company enters into agreements subject to enforceable netting arrangements with its derivative counterparties that allow the Company to offset the settlement of derivative assets and liabilities in the same currency by derivative instrument type or, in the event of default by the counterparty, to offset all derivative assets and liabilities with the same counterparty. The Company has elected not to net derivative asset and liability positions, notwithstanding the conditions for right of offset may have been met. The Company presents derivative assets and liabilities with the same counterparty on a gross basis on the consolidated balance sheets.

The following table sets forth derivative positions where the Company has a right of offset under netting arrangements with the same counterparty as of March 31, 2020 and December 31, 2019 (dollars in thousands):

	Gross Amounts of Assets (Liabilities) Included on Consolidated Balance Sheets	Gross Amounts Not Offset on Consolidated Balance Sheets		Net Amounts of Assets (Liabilities)
		(Assets) Liabilities	Cash Collateral Pledged	
March 31, 2020				
Derivative Assets				
Interest rate contracts	$ 9	$ (9)	$ —	$ —
	$ 9	$ (9)	$ —	$ —
Derivative Liabilities				
Interest rate contracts	$ (33,344)	$ 9	$ 33,335	$ —
	$ (33,344)	$ 9	$ 33,335	$ —
December 31, 2019				
Derivative Assets				
Foreign exchange contracts	$ 4,122	$ (2,157)	$ —	$ 1,965
	$ 4,122	$ (2,157)	$ —	$ 1,965
Derivative Liabilities				
Foreign exchange contracts	$ (2,157)	$ 2,157	$ —	$ —
Interest rate contracts	(16,976)	—	16,976	—
	$ (19,133)	$ 2,157	$ 16,976	$ —

16. Commitments and Contingencies

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, 2020, assuming the terms to qualify for future fundings, if any, have been met, total unfunded lending commitments for loans and preferred equity held for investment was $162.1 million for senior loans, $37.3 million for securitized loans, $1.2 million for corporate term loans and $36.1 million for mezzanine loans. Total unfunded commitments for equity method investments was $32.2 million.

Ground Lease Obligation

The Company’s operating leases are ground leases acquired with real estate.

At March 31, 2020, the weighted average remaining lease terms were 14.2 years for ground leases.

The following table presents lease expense, included in property operating expense, for the three months ended March 31, 2020 and 2019 (dollars in thousands):

	Three Months Ended March 31,	
	2020	2019
Operating lease expense:		
Minimum lease expense	$ 804	$ 809
Variable lease expense	—	—
	$ 804	$ 809

The operating lease liability was determined using a weighted average discount rate of 5.0%. The following table presents future minimum rental payments, excluding contingent rents, on noncancellable ground leases on real estate as of March 31, 2020 (dollars in thousands):

Remainder of 2020	$	2,390
2021		3,171
2022		3,199
2023		3,229
2024		2,338
2025 and thereafter		21,725
Total lease payments		36,052
Less: Present value discount		11,757
Operating lease liability (Note 8)	$	24,295

The following table presents future minimum rental payments, excluding contingent rents, on noncancellable ground leases on real estate as of December 31, 2019 (dollars in thousands):

2020	$	3,232
2021		3,216
2022		3,244
2023		3,274
2024		2,383
2025 and thereafter		23,079
Total lease payments		38,428
Less: Present value discount		12,933
Operating lease liability (Note 8)	$	25,495

Litigation and Claims

The Company may be involved in litigation and claims in the ordinary course of the business. As of March 31, 2020, the Company was not involved in any legal proceedings that are expected to have a material adverse effect on the Company's results of operations, financial position or liquidity.

17. Segment Reporting

Following the Combination, the Company conducted its business through the following five operating segments: the loan portfolio, CRE debt securities, net leased real estate, other, and corporate. The Company continually monitors and reviews its segment reporting structure in accordance with authoritative guidance to determine whether any changes have occurred that would impact our reportable segments.

During the third quarter of 2019, the Company realigned the business and reportable segment information to reflect how the CODM regularly review and manage the business. As a result, the Company presents its business segments as follows:

- Core Portfolio, which consists of the following four segments and remain unchanged from the prior segments:
    - Senior and Mezzanine Loans and Preferred Equity—CRE debt investments including senior mortgage loans, mezzanine loans, and preferred equity interests as well as participations in such loans. The segment also includes ADC loan arrangements accounted for as equity method investments.
    - CRE Debt Securities securities investments currently consisting of BBB and some BB rated CMBS (including Non-Investment Grade "B-pieces" of a CMBS securitization pool), or CRE CLOs (including the junior tranches thereof, collateralized by pools of CRE debt investments).
    - Net Leased Real Estate—direct investments in CRE 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.

- Corporate—includes corporate-level asset management and other fees, related party and general and administrative expenses to the Core Portfolio only.

- Legacy, Non-Strategic Portfolio—segment consists of direct investments in operating real estate such as multi-tenant office and multifamily residential assets such as real estate acquired in settlement of loans ("REO") which the Company plans to exit. It also includes two portfolios of PE Investments and certain retail and other legacy loans originated prior to the Combination. This segment includes corporate-level asset management and other fees, related party and general and administrative expenses related to the Legacy, Non-Strategic Portfolio only.

There were no changes in the structure of the Company's internal organization that prompted the change in reportable segments. Prior period amounts have been revised to conform to the current year presentation shown below.

The Company primarily generates revenue from net interest income on the loan, preferred equity and securities portfolios, rental and other income from its net leased, hotel, multi-tenant office, and multifamily real estate assets, as well as equity in earnings of unconsolidated ventures. 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.

The following tables present segment reporting for the three months ended March 31, 2020 and 2019 (dollars in thousands):

	Core						
	Senior and MezzanineLoans and Preferred Equity	CRE Debt Securities	Net Leased Real Estate	Corporate[1]	Total Core Portfolio	Legacy, Non-Strategic Portfolio	Total
Three months ended March 31, 2020							
Net interest income (expense)	$ 23,483	$ 5,543	$ —	$ (1,876)	$ 27,150	$ 706	$ 27,856
Property and other income	24	72	30,531	5	30,632	31,290	61,922
Management fee expense	—	—	—	(6,516)	(6,516)	(1,430)	(7,946)
Property operating expense	(1)	—	(3,683)	—	(3,684)	(18,847)	(22,531)
Transaction, investment and servicing expense	(398)	—	(143)	(1,673)	(2,214)	(920)	(3,134)
Interest expense on real estate	—	—	(8,461)	—	(8,461)	(4,617)	(13,078)
Depreciation and amortization	—	—	(11,153)	—	(11,153)	(6,823)	(17,976)
Provision for loan losses	(31,499)	—	—	—	(31,499)	(38,433)	(69,932)
Impairment of operating real estate	—	—	—	—	—	(4,126)	(4,126)
Administrative expense	(363)	(535)	(82)	(3,151)	(4,131)	(2,907)	(7,038)
Unrealized gain (loss) on mortgage loans and obligations held in securitization trusts, net	—	(19,906)	—	454	(19,452)	—	(19,452)
Other loss, net	—	(16,336)	(4,084)	(92)	(20,512)	350	(20,162)
Income (loss) before equity in earnings of unconsolidated ventures and income taxes	(8,754)	(31,162)	2,925	(12,849)	(49,840)	(45,757)	(95,597)
Equity in earnings of unconsolidated ventures	14,074	—	—	—	14,074	3,093	17,167
Income tax benefit (expense)	(361)	—	198	—	(163)	(1,548)	(1,711)
Net income (loss)	$ 4,959	$ (31,162)	$ 3,123	$ (12,849)	$ (35,929)	$ (44,212)	$ (80,141)

(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, 2020, $0.5 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.

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

	Core						
	Senior and MezzanineLoans and Preferred Equity	CRE Debt Securities	Net Leased Real Estate	Corporate[1]	Total Core Portfolio	Legacy, Non-Strategic Portfolio	Total
Three months ended March 31, 2019							
Net interest income (expense)	$ 15,882	$ 5,312	$ —	$ (2,858)	$ 18,336	$ 3,622	$ 21,958
Property and other income	93	67	29,904	—	30,064	33,247	63,311
Management fee expense	—	—	—	(9,086)	(9,086)	(2,272)	(11,358)
Property operating expense	—	—	(8,946)	—	(8,946)	(19,234)	(28,180)
Transaction, investment and servicing expense	(276)	—	(45)	267	(54)	(475)	(529)
Interest expense on real estate	—	—	(8,570)	—	(8,570)	(5,037)	(13,607)
Depreciation and amortization	—	—	(13,084)	—	(13,084)	(14,578)	(27,662)
Administrative expense	(289)	(387)	(57)	(2,905)	(3,638)	(3,015)	(6,653)
Unrealized gain on mortgage loans and obligations held in securitization trusts, net	—	666	—	363	1,029	—	1,029
Realized gain on mortgage loans and obligations held in securitization trusts, net	—	48	—	—	48	—	48
Other gain (loss), net	—	(4,070)	235	8	(3,827)	(1,252)	(5,079)
Income (loss) before equity in earnings of unconsolidated ventures and income taxes	15,410	1,636	(563)	(14,211)	2,272	(8,994)	(6,722)
Equity in earnings of unconsolidated ventures	18,368	—	—	—	18,368	2,942	21,310
Income tax benefit (expense)	(12)	—	2,382	(382)	1,988	(1,619)	369
Net income (loss)	$ 33,766	$ 1,636	$ 1,819	$ (14,593)	$ 22,628	$ (7,671)	$ 14,957

(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, 2019, $0.4 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

The following table presents total assets by segment as of March 31, 2020 and December 31, 2019 (dollars in thousands):

	Core						
Total Assets	Senior and Mezzanine Loans and Preferred Equity[1]	CRE Debt Securities	Net Leased Real Estate	Corporate[2]	Total Core Portfolio	Legacy, Non-Strategic Portfolio[3]	Total
March 31, 2020	$ 2,361,830	$ 2,073,016	$ 1,119,067	$ 899,259	$ 6,453,172	$ 740,416	$ 7,193,588
December 31, 2019	2,464,963	2,226,448	1,181,609	496,714	6,369,734	1,044,572	7,414,306

(1) Includes investments in unconsolidated ventures totaling $577.2 million and $585.0 million as of March 31, 2020 and December 31, 2019, respectively.
(2) Includes cash, unallocated receivables, deferred costs and other assets, net and the elimination of the subordinate tranches of the securitization trusts in consolidation.
(3) Includes PE Investments totaling $8.8 million and $10.3 million as of March 31, 2020 and December 31, 2019, respectively.

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. Geography information on total income includes equity in earnings of unconsolidated ventures. Geography information on total income and long lived assets are presented as follows (dollars in thousands):

	Three Months Ended March 31,	
	2020	2019
Total income by geography:		
United States	$ 124,953	$ 148,790
Europe	20,795	12,681
Other	—	35
Total[1]	$ 145,748	$ 161,506

	March 31, 2020	December 31, 2019
Long-lived assets by geography:		
United States	$ 1,062,789	$ 1,282,189
Europe	262,706	315,369
Total[2]	$ 1,325,495	$ 1,597,558

(1) Includes interest income, interest income on mortgage loans held in securitization trusts, property and other income and equity in earnings of unconsolidated ventures.
(2) Long-lived assets are comprised of real estate and real estate related intangible assets, and excludes financial instruments and assets held for sale.

18. Earnings Per Share

The Company's net income (loss) and weighted average shares outstanding for the three months ended March 31, 2020 and 2019 consist of the following (dollars in thousands, except per share data):

	Three Months Ended March 31,	
	2020	2019
Net income (loss)	$ (80,141)	$ 14,957
Net (income) loss attributable to noncontrolling interests:		
Investment Entities	(523)	298
Operating Partnership	1,892	(347)
Net income (loss) attributable to Colony Credit Real Estate, Inc. common stockholders	$ (78,772)	$ 14,908
Numerator:		
Net income allocated to participating securities (nonvested shares)	$ (322)	$ (466)
Net income (loss) attributable to common stockholders	$ (79,094)	$ 14,442
Denominator:		
Weighted average shares outstanding[1][2]	128,487	127,943
Net income (loss) per common share - basic and diluted[2]	$ (0.62)	$ 0.11

(1) 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 CLNY Investment Entities, the Company's predecessor for accounting purposes. On February 1, 2019, the Class B-3 common stock automatically converted to Class A common stock on a one-for-one basis.
(2) 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.

19. Subsequent Events

Dividends

The COVID-19 pandemic has caused extraordinary volatility and unprecedented market conditions, including actual and unanticipated consequences to the Company and certain investments, which may continue. Having paid monthly dividends on its common stock through March 31, 2020, the Company and its Board of Directors determined it was prudent and in the Company's best interests to conserve available liquidity and suspended the Company's monthly stock dividend beginning with the monthly period ending April 30, 2020. The Board of Directors will evaluate dividends in future periods based upon customary considerations, including market conditions. Importantly, the Company continues to monitor its taxable income to ensure that the Company meets the minimum distribution requirements to maintain its status as a REIT for the year ending December 31, 2020.

Protective Advance

The Company holds a $189.0 million investment in a mezzanine loan and preferred equity investment in a development project in Los Angeles County which includes a hospitality and retail renovation and a new condominium tower construction. The Company's investment is held in a joint venture with affiliates of its Manager (the "Mezzanine Lender"). On April 30, 2020, the Company made its pro-rata $12.9 million share of the Mezzanine Lender's $34.7 million protective advance to the senior lender while reserving all rights and remedies as Mezzanine Lender. In addition, the Company may fund approximately $2.5 million, representing its ratable share among other funding joint venture participants, of an approximate $5.1 million shortfall to the protective advance as a result of a single investor non-funding event.

Hedge Unwinds

In April 2020, the Company unwound a portion of its interest rate swaps and in connection with this expects to realize a loss of approximately $16.4 million during the second quarter of 2020, which was previously recorded as an unrealized loss as of March 31, 2020. The Company also called back $15.9 million in net cash collateral to counterparties for its derivative contracts. As of May 7, 2020, those counterparties held $17.4 million in cash collateral.

Bank Credit Facility and Master Repurchase Facilities

On May 6, 2020, the Company amended its Bank Credit Facility to: (i) reduce the minimum tangible net worth covenant requirement from $2.1 billion to $1.5 billion, providing portfolio management flexibilities as a result of any disruptions in investments caused by COVID-19 or other factors; (ii) reduce the facility size from $560.0 million to $450.0 million (noting current borrowings of $299.0 million); (iii) limit dividends in line with taxable income and restrict stock repurchases, each for liquidity preservation purpose; and (iv) focus new investments on senior mortgages.

In addition, on May 7, 2020, the Company amended the tangible net worth covenant under all six of the Company's Master Repurchase Facilities consistent with the Bank Credit Facility.

CMBS Credit Facilities

In April 2020, the Company consolidated its CMBS Credit Facilities with one existing counterparty bank. With doing so, the Company paid down its CMBS Credit Facilities borrowing advance rate to a blended borrowing advance rate of 62% and extended the repurchase date on all such borrowings to June 30, 2020. This $73.9 million paydown allows for a 15% additional loss on a bond specific basis before further margin calls. As of May 7, 2020, the Company had $123.5 million outstanding under its CMBS Credit Facilities. The financing bears a fixed interest rate of 4.50%.

Investment Sales

Subsequent to March 31, 2020, the Company sold two loans in its Legacy, Non-Strategic Portfolio for total gross proceeds of $23.5 million. The Company will recognize a gain of approximately $6.8 million during the second quarter of 2020.

Additionally, the Company sold one real estate property in its Legacy, Non-Strategic Portfolio for total gross proceeds of $1.0 million. The Company will recognize a loss of approximately $0.1 million.

On April 22, 2020, the Company completed a discounted payoff of its four NY hospitality loans and related investment interests. The Company recorded $36.8 million of provision for loan losses during the three months ended March 31, 2020.

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, 2019, which is accessible on the SEC's website at www.sec.gov.

Introduction

We are 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 debt investments, CRE 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 January 31, 2018, the Combination among the CLNY Contributed Portfolio, NorthStar I and NorthStar II was completed in an all-stock exchange. We elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended, beginning with our taxable year ended 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 "OP"). At March 31, 2020, we owned 97.7% of the OP, as its sole managing member. The remaining 2.3% is owned primarily by our affiliate as noncontrolling interests.

We are externally managed by a subsidiary of Colony Capital, a New York Stock Exchange ("NYSE")-listed global real estate and investment management firm. As of March 31, 2020, Colony Capital owned approximately 36.5% of our common equity on a fully diluted basis.

Our Manager

We are externally managed by our manager, CLNC Manager, LLC (our "Manager"). Our Manager is a subsidiary of Colony Capital. Over the past 28 years, Colony Capital and its predecessors have made over $100 billion of investments. Colony Capital's senior management team 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 Capital's global footprint and corresponding network provides its investment and asset management teams with proprietary market knowledge, sourcing capabilities and the local presence required to identify, execute and manage complex transactions, although Colony Capital and its predecessors have not been immune to national and local economic trends that are unrelated to its management of assets. Colony Capital's history of external management includes its previous management of Colony Financial, Inc. ("Colony Financial"), an externally managed commercial mortgage REIT listed on the NYSE and focused on secondary loan acquisitions, high-yielding originations and real estate equity, and its management of various non-traded REITs (previously including NorthStar I and NorthStar II) and registered investment companies.

Colony Capital is headquartered in Los Angeles, with key offices in Boca Raton, New York, Paris and London. 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 Capital's management team has diverse backgrounds. On March 25, 2020, the board of directors of the Company approved the appointment of Michael J. Mazzei as Chief Executive Officer and President of the Company and Andrew E. Witt as Chief Operating Officer of the Company (transitioning from his role as Interim Chief Executive Officer and President), in each instance, effective April 1, 2020. Neale W. Redington, a 11-year veteran of Colony Capital, serves as our Chief Financial Officer and Treasurer. In addition, supporting our business, David A. Palamé, a 13-year veteran of Colony Capital, serves as our General Counsel and Secretary, and Frank V. Saracino, a five-year veteran of Colony Capital, serves as our Chief Accounting Officer.

We draw on Colony Capital'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 can 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 Capital's portfolio management, finance and administration functions, which provide us with legal, compliance, investor relations, asset valuation, risk management and information technology services. Colony Capital also has a captive, fully functional, separate asset management company that engages primarily in loan servicing for performing, sub-performing and non-performing commercial loans, including senior secured loans, revolving lines of credit, loan participations, subordinated loans, unsecured loans and mezzanine debt. Colony Capital's asset management company is a commercial special servicer rated by both Standard & Poor's and Fitch's rating services.

On April 1, 2020, Colony Capital reported in Amendment No. 3 to Schedule 13D (filed with the SEC) that it has postponed any decision regarding a disposition of its management agreement with the Company until market conditions improve due to ongoing uncertainty surrounding the duration and magnitude of the COVID-19 pandemic and its impact on the global economy.

Our operating segments include the Senior and Mezzanine Loans and Preferred Equity, CRE Debt Securities, Net Leased Real Estate, Corporate and Legacy, Non-Strategic Portfolio. 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.

Our Target Assets

We have not closed any new investments in 2020 through the date hereof and are primarily focused on existing investments and commitments. Generally, 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 like 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, like 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 Non-Investment Grade "B-pieces" of a CMBS securitization pool) or CRE CLOs (including the junior tranches thereof, 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 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").

We believe that events in the financial markets from time to time, including the current and potential impacts of the COVID-19 pandemic, have created and will create significant dislocation between price and intrinsic value in certain asset classes as well as a supply and demand imbalance of available credit to finance these assets. We believe that our Manager's in-depth understanding of CRE and real estate-related investments, and in-house underwriting, asset management and resolution capabilities, provides the Company and management with a sophisticated full-service value-add platform to regularly evaluate our investments and determine primary, secondary or alternative disposition strategies. This includes intermediate servicing and complex and creative

negotiating, restructuring of non-performing investments, foreclosure considerations, intense management or development of owned real estate, in each case to reposition and achieve optimal value realization for the Company and its stockholders. Depending on the nature of the underlying investment, we may pursue repositioning strategies through judicious capital investment in order to extract maximum value from the investment or recognize unanticipated losses to reinvest resulting liquidity in higher-yielding performing investments.

Our Business Segments

Following the Combination, we conducted our business through the following five operating segments: the loan portfolio, CRE debt securities, net leased real estate, other, and corporate. We continually monitor and review our segment reporting structure in accordance with authoritative guidance to determine whether any changes have occurred that would impact our reportable segments.

During the third quarter of 2019, we realigned the business and reportable segment information to reflect how the Chief Operating Decision Makers regularly review and manage the business. As a result, effective for the quarter ended September 30, 2019, we present our business segments as follows:

- Core Portfolio, which consists of the following four segments and remain unchanged from the prior segments:
    - Senior and Mezzanine Loans and Preferred Equity—CRE debt investments including senior mortgage loans, mezzanine loans, and preferred equity interests as well as participations in such loans. The segment also includes acquisition, development and construction ("ADC") arrangements accounted for as equity method investments.
    - CRE Debt Securities— securities investments currently consisting of BBB and some BB rated CMBS (including Non-Investment Grade "B-pieces" of a CMBS securitization pool) or CRE CLOs (including the junior tranches thereof, collateralized by pools of CRE debt investments).
    - Net Leased Real Estate—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.
    - Corporate—includes corporate-level asset management and other fees including expenses related to our secured revolving credit facility, related party and general and administrative expenses to the Core Portfolio only.
- Legacy, Non-Strategic Portfolio—segment consists of direct investments in operating real estate such as multi-tenant office and multifamily residential assets such as real estate acquired in settlement of loans which we plan to exit. It also includes two portfolios of private equity funds ("PE Investments") and certain retail and other legacy loans originated prior to the Combination. This segment also includes corporate-level asset management and other fees including expenses related to secured revolving credit facility, related party and general and administrative expenses related to the Legacy, Non-Strategic Portfolio only.

There were no changes in the structure of our internal organization that prompted the change in reportable segments. Prior year amounts have been revised to conform to the current year presentation. Accordingly, we realigned the discussion and analysis of our portfolio and results of operations to reflect these reportable segments.

Significant Developments - Core Portfolio

During the three months ended March 31, 2020 and through May 7, 2020, significant developments affecting our business and results of operations of our Core Portfolio included the following:

- Generated U.S. GAAP net loss of $(35.0) million, or $(0.27) per share and Core Earnings of $46.2 million, or $0.35 per share;
- Dividend payments of $39.5 million for the three months ended March 31, 2020; and suspended monthly dividends beginning with the monthly period ended April 30, 2020;
- At March 31, 2020 our current expected credit loss reserve ("CECL") calculated by our probability of default ("PD")/loss given default ("LGD") model for our outstanding loans and future loan funding commitments is $52.2 million, or $0.41 per share, which is 2.0% of the aggregate commitment amount of our loan portfolio;
- Three loans totaling $67.8 million in carrying value repaid in full during the three months ended March 31, 2020, consisting of two senior loans and one mezzanine construction loan;
- We modified our Bank Credit Facility and Master Repurchase Facilities in anticipation of COVID-19 uncertainties;
- We also modified certain aspects of our CMBS Credit Facilities. These modifications were done in conjunction with paydowns of those facilities, which totaled $73.9 million. We also paid a total of $48.9 million in margin calls;
- Made a protective advance totaling $12.9 million on our Los Angeles Mixed-use project. See "Los Angeles Construction Loan and Preferred Equity Investment" in "Our Core Portfolio" below; and

- In April 2020, we unwound a portion of our interest rate swaps and in connection with this we will realize a loss of $16.4 million during the second quarter of 2020, which was previously recorded as an unrealized loss as of March 31, 2020.

Significant Developments - Legacy, Non-Strategic Portfolio

During the three months ended March 31, 2020 and through May 7, 2020, significant developments affecting our business and results of operations of our Legacy, Non-Strategic Portfolio included the following:

- Generated U.S. GAAP net loss of $(43.8) million, or $(0.35) per share, and Legacy, Non-Strategic Earnings loss of $(34.7) million, or $(0.26) per share;
- Sold ten investments (five real estate properties and five loans) for a total gross sales price of $254 million and a net loss of $3.6 million;
- Subsequent to March 31, 2020, sold two loans for total gross proceeds of $23.5 million and a projected gain on sale of $6.8 million and one real estate property for total gross proceeds of $1.0 million and a projected loss on sale of $0.1 million;
- During the three months ended March 31, 2020, given the immediate and significant detrimental impact of COVID-19, we recorded a $36.8 million provision for loan loss related to our four NY hospitality loans. On April 22, 2020, we closed on a discounted payoff of the total investment interests, realizing on such provision for loan loss; and
- Classified 19 operating real estate properties and three loans totaling $139 million as held for sale;

Impact of COVID-19

Since its discovery in December 2019, a new strain of coronavirus, which causes the viral disease known as COVID-19, has spread throughout the world, including the United States. The outbreak has been declared to be a pandemic by the World Health Organization, and the Health and Human Services Secretary has declared a public health emergency in the United States in response to the outbreak. Considerable uncertainty still surrounds COVID-19 and its potential effects, and the extent of and effectiveness of any responses taken on a national and local level.

Accordingly, the COVID-19 pandemic has negatively impacted CRE credit REITs across the industry, as well as other companies that own and operate commercial real estate investments, including our company. As we manage the impact and uncertainties of the COVID-19 pandemic, cash preservation, liquidity and investment and portfolio management are our key priorities.

We are working closely with our borrowers and tenants to address the impact of COVID-19 on their business. To the extent that certain borrowers are experiencing significant financial dislocation we may have and may continue to consider the use of interest and other reserves and/or replenishment obligations of the borrower and/or guarantors to meet current interest payment obligations, for a limited period. Similarly, we may evaluate converting certain current interest payment obligations to payment-in-kind as a potential bridge period solution. We have in limited cases allowed some portions of current interest to convert to payment-in-kind.

We have also taken various steps to mitigate the impact of COVID-19 on our liquidity, including aggregate net draws of $226.5 million on our revolving credit facility during the first quarter as a precautionary measure to increase cash on hand. As of the date of this report, we have approximately $255 million in cash on hand, representing substantially all of our available capacity. We have also agreed to certain margin holidays or rollover extensions on our Master Repurchase Facilities and CMBS Credit Facility financing, as described in further detail in “Liquidity and Capital Resources” below.

The COVID-19 pandemic has created uncertainties that have and will negatively impact our future operating results, liquidity and financial condition. However, we believe there are too many uncertainties to predict and quantify the full impact. The potential concerns and risks include, but are not limited to, mortgage borrower’s ability to make monthly payments, lessees’ capacity to pay their rent, and the resulting impact on us to meet our obligations. Therefore, there can be no assurances that we will not need to take impairment charges in future quarters or experience further declines in revenues and net income, which could be material. For more information, refer to “Part II - Item 1A. Risk Factors” and “COVID-19 Update” in “Our Core Portfolio”, “Our Legacy, Non-Strategic Portfolio” and “Liquidity and Capital Resources” sections below for further discussion regarding the COVID-19 pandemic and its impact on our future operating results, liquidity and financial condition.

Internal Controls

We are pleased to report that the state of health and well-being of the Manager’s employees is strong. Our Manager instituted a full remote work policy in early March that will be in effect through June 1, 2020, at the earliest.

Our internal control framework, which includes controls over financial reporting and disclosure, continues to operate effectively. Considering the COVID-19 pandemic, we have supplemented our framework by instituting certain entity level procedures and controls that ensure communication amongst our team that enhances our ability to prevent and detect material errors and/or omissions.

Results of Operations Summary

The following tables present our results of operations for the three months ended March 31, 2020 and 2019 (dollars in thousands):

	Three Months Ended March 31,					
	2020			2019		
	Core Portfolio	Legacy, Non-Strategic Portfolio	Total	Core Portfolio	Legacy, Non-Strategic Portfolio	Total
Net interest income	$ 27,150	$ 706	$ 27,856	$ 18,336	$ 3,622	$ 21,958
Property and other income	30,632	31,290	61,922	30,064	33,247	63,311
Management fee expense	(6,516)	(1,430)	(7,946)	(9,086)	(2,272)	(11,358)
Property operating expense	(3,684)	(18,847)	(22,531)	(8,946)	(19,234)	(28,180)
Transaction, investment and servicing expense	(2,214)	(920)	(3,134)	(54)	(475)	(529)
Interest expense on real estate	(8,461)	(4,617)	(13,078)	(8,570)	(5,037)	(13,607)
Depreciation and amortization	(11,153)	(6,823)	(17,976)	(13,084)	(14,578)	(27,662)
Provision for loan losses	(31,499)	(38,433)	(69,932)	—	—	—
Impairment of operating real estate	—	(4,126)	(4,126)	—	—	—
Administrative expense	(4,131)	(2,907)	(7,038)	(3,638)	(3,015)	(6,653)
Unrealized gain on mortgage loans and obligations held in securitization trusts, net	(19,452)	—	(19,452)	1,029	—	1,029
Realized gain (loss) on mortgage loans and obligations held in securitization trusts, net	—	—	—	48	—	48
Other gain (loss) on investments, net	(20,512)	350	(20,162)	(3,827)	(1,252)	(5,079)
Income (loss) before equity in earnings of unconsolidated ventures and income taxes	(49,840)	(45,757)	(95,597)	2,272	(8,994)	(6,722)
Equity in earnings (loss) of unconsolidated ventures	14,074	3,093	17,167	18,368	2,942	21,310
Income tax benefit (expense)	(163)	(1,548)	(1,711)	1,988	(1,619)	369
Net income (loss)	$ (35,929)	$ (44,212)	$ (80,141)	$ 22,628	$ (7,671)	$ 14,957

See “Our Core Portfolio” and “Our Legacy, Non-Strategic Portfolio” sections for further discussion of our portfolio and results of operations.

Our Core Portfolio

As of March 31, 2020, our Core Portfolio, including our senior and mezzanine loans and preferred equity, CRE debt securities, net leased real estate and corporate segments, consisted of 110 investments representing approximately $4.2 billion in book value (excluding cash, cash equivalents and certain other assets). Our senior and mezzanine loans and preferred equity consisted of 53 senior mortgage loans, mezzanine loans, preferred equity investments and other loans and had a weighted average cash coupon of 6.3% and a weighted average all-in unlevered yield of 7.5%. Our CRE debt securities portfolio had a weighted average cash coupon of 3.7%. Our net leased real estate consisted of approximately 13.1 million total square feet of space and total first quarter net operating income ("NOI") of that portfolio was approximately $17.6 million.

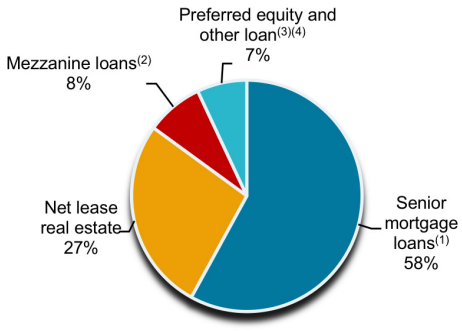
As of March 31, 2020, our Core Portfolio consisted of the following investments (dollars in thousands):

	Count[1]	Book value (Consolidated)	Book value (at CLNC share)[2]	Net book value (Consolidated)[3]	Net book value (at CLNC share)[4]
Core Portfolio					
Senior mortgage loans[5]	35	$ 2,281,164	$ 2,281,164	$ 663,979	$ 663,979
Mezzanine loans[5]	9	318,182	318,182	318,182	318,182
Preferred equity and other loans[5][6]	9	267,783	267,783	267,783	267,783
CRE debt securities	51	270,175	270,175	72,783	72,783
Net leased real estate	6	1,059,563	1,045,596	326,212	321,123
Total/Weighted average Core Portfolio	110	$ 4,196,867	$ 4,182,900	$ 1,648,939	$ 1,643,850

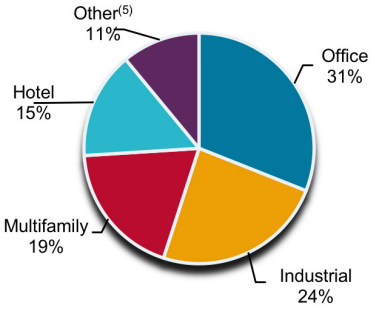
(1) Count for net leased real estate represents number of investments.
(2) Book value at our share represents the proportionate book value based on ownership by asset as of March 31, 2020.
(3) Net book value represents book value less any associated financing as of March 31, 2020.
(4) Net book value at our share represents the proportionate book value based on asset ownership less any associated financing based on ownership as of March 31, 2020.
(5) Senior mortgage loans, mezzanine loans, and preferred equity include investments in joint ventures whose underlying interest is in a loan or preferred equity.
(6) Preferred equity balances include $28.0 million of book value at our share attributable to related equity participation interests.

The following charts illustrate the diversification of our Core Portfolio (not including CRE Debt Securities) based on investment type, underlying property type, and geography, as of March 31, 2020 (percentages based on book value at our share, which represents the proportionate book value based on our ownership by asset):

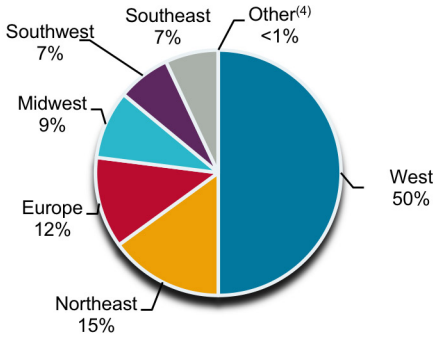
Investment Type



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 $28.0 million of book value at our share attributable to related equity participation interests.
(4) Other contains one corporate term loan secured by the borrower's limited partnership interests in a fund.
(5) Other includes commercial and residential development and predevelopment assets, one corporate term loan secured by the borrower's limited partnership interests in a fund, and a preferred equity investment in a loan origination platform.

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. The underwriting process 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.

Loan Risk Rankings

In addition to reviewing loans and preferred equity held for investment for impairment quarterly, the Company evaluates loans and preferred equity held for investment to determine if an allowance for loan loss should be established. In conjunction with this review, the Company assesses the risk factors of each senior and mezzanine loans and preferred equity and assigns a risk rating based on a variety of factors, including, without limitation, underlying real estate performance and asset value, values of comparable properties, durability and quality of property cash flows, sponsor experience and financial wherewithal, and the existence of a risk-mitigating loan structure. Additional key considerations include loan-to-value ratios, debt service coverage ratios, loan structure, real estate and credit market dynamics, and risk of default or principal loss. Based on a five-point scale, the Company's loans and preferred equity held for investment are rated "1" through "5," from less risk to greater risk. At the time of origination or purchase, loans and preferred equity held for investment are ranked as a "3" and will move accordingly going forward based on the ratings which are defined as follows

1. *Very Low Risk*—The loan is performing as agreed. The underlying property performance has exceeded underwritten expectations with very strong NOI, debt service coverage ratio, debt yield and occupancy metrics. Sponsor is investment grade, very well capitalized, and employs very experienced management team.

2. *Low Risk*—The loan is performing as agreed. The underlying property performance has met or exceeds underwritten expectations with high occupancy at market rents, resulting in consistent cash flow to service the debt. Strong sponsor that is well capitalized with experienced management team.

3. *Average Risk*—The loan is performing as agreed. The underlying property performance is consistent with underwriting expectations. The property generates adequate cash flow to service the debt, and/or there is a sufficient reserve or loan structure to provide time for sponsor to execute the business plan. Sponsor has routinely met its obligations and has experience owning/operating similar real estate.

4. *High Risk/Delinquent/Potential for Loss*—The loan is in excess of 30 days delinquent and/or has a risk of a principal loss. The underlying property performance is behind underwritten expectations. Loan covenants may require occasional waivers/modifications. Sponsor has been unable to execute its business plan and local market fundamentals have deteriorated. Operating cash flow is not sufficient to service the debt and debt service payments may be coming from sponsor equity/loan reserves.

5. *Impaired/Defaulted/Loss Likely*—The loan is in default or a default is imminent, and has a high risk of a principal loss, or has incurred a principal loss. The underlying property performance is significantly worse than underwritten expectation and sponsor has failed to execute its business plan. The property has significant vacancy and current cash flow does not support debt service. Local market fundamentals have significantly deteriorated resulting in depressed comparable property valuations versus underwriting.

Our average risk ranking was impacted by the current and potential future effects of the COVID 19 pandemic. As mentioned above, management considers several risk factors when assigning our risk rating each quarter. Management believes that the impact of the COVID-19 pandemic adds significant risk to our portfolio which is represented in our current period loan risk rankings which yielded an average rating of 3.8, as a number of assets moved from average risk (3) to high risk (4) during the quarter.

Senior and Mezzanine Loans and Preferred Equity

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

33 senior and mezzanine loans and preferred equity interests totaling $1.7 billion in carrying value at our share in our Core Portfolio increased from a prior risk ranking of (3) to a risk ranking of (4). The following table provides a summary of our senior and mezzanine loans and preferred equity in our Core Portfolio based on our internal risk rankings as of March 31, 2020 (dollars in thousands):

		Carrying Value (at CLNC share)[1]				
Risk Ranking	Count[1]	Senior mortgage loans[2]	Mezzanine loans	Preferred equity and other loans	Total	% of Core Portfolio
3	11	$ 696,279	$ —	$ —	$ 696,279	24.3%
4	37	1,585,066	159,671	235,730	1,980,467	69.1%
5	3	27,500	130,831	31,703	190,034	6.6%
	51	$ 2,308,845	$ 290,502	$ 267,433	$ 2,866,780	100.0%
Weighted average risk ranking						3.8

(1) Count excludes two equity participations held in joint ventures with a combined carrying value (at CLNC share) of $0.3 million which were not assigned risk rankings.
(2) Includes one mezzanine loan totaling $27.7 million where we are also the senior lender.

The following table provides asset level detail for senior and mezzanine loans and preferred equity included in our Core Portfolio as of March 31, 2020 (dollars in thousands):

	Collateral type	Origination Date	City, State	Carrying value[1]	Principal balance	Coupon type	Cash Coupon[2]	Unlevered all-in yield[3]	Extended maturity date	Loan-to-value[4]	Q1 2020/Q4 2019 Risk ranking[5]
Senior loans											
Loan 1	Hotel	1/2/2018	San Jose, CA	$ 173,434	$ 173,485	Floating	4.3%	5.3%	1/9/2023	62%	4/3
Loan 2	Multifamily	6/21/2019	Milpitas, CA	172,905	175,567	Floating	3.1%	5.5%	7/9/2024	72%	3/3
Loan 3[6]	Other (Mixed-use)	10/17/2018	Dublin, Ireland	171,386	171,006	Fixed	8.0%	15.0%	12/31/2023	96%	4/3
Loan 4	Hotel	10/29/2018	San Diego, CA	136,520	142,661	Floating	4.8%	6.9%	10/9/2024	71%	4/4
Loan 5	Hotel	6/28/2018	Berkeley, CA	117,256	120,000	Floating	3.2%	5.2%	7/9/2025	66%	4/3
Loan 6	Industrial	9/19/2019	New York, NY	113,343	116,000	Floating	3.1%	5.8%	9/19/2024	76%	3/3

	Collateral type	Origination Date	City, State	Carrying value[1]	Principal balance	Coupon type	Cash Coupon[2]	Unlevered all-in yield[3]	Extended maturity date	Loan-to-value[4]	Q1 2020/Q4 2019 Risk ranking[5]
Loan 7	Office	12/7/2018	Carlsbad, CA	110,876	113,384	Floating	3.7%	6.1%	12/9/2023	73%	3/3
Loan 8[6]	Multifamily	6/18/2019	Santa Clara, CA	98,181	99,905	Floating	4.4%	7.3%	6/18/2024	64%	4/3
Loan 9	Multifamily	4/11/2019	Various - U.S.	91,405	92,000	Floating	3.0%	5.9%	4/9/2024	65%	4/3
Loan 10	Office	5/31/2019	Stamford, CT	88,048	89,599	Floating	3.5%	5.8%	6/9/2025	71%	4/3
Loan 11	Hotel	6/25/2018	Englewood, CO	72,505	73,000	Floating	3.5%	5.3%	7/9/2023	69%	4/3
Loan 12	Office	6/27/2018	Burlingame, CA	73,159	73,250	Floating	2.8%	5.1%	7/9/2023	61%	3/3
Loan 13	Other (Mixed-use)	10/24/2019	Brooklyn, NY	66,126	69,032	Floating	3.4%	5.9%	11/9/2024	66%	4/3
Loan 14	Office	8/28/2018	San Jose, CA	65,594	65,753	Floating	2.5%	4.5%	8/28/2025	66%	3/3
Loan 15	Office	4/5/2019	Long Island City, NY	62,030	62,981	Floating	3.3%	5.8%	4/9/2024	58%	4/3
Loan 16	Office	5/29/2019	Long Island City, NY	60,173	62,104	Floating	3.5%	6.0%	6/9/2024	59%	4/3
Loan 17	Office	2/13/2019	Baltimore, MD	53,995	54,623	Floating	3.5%	6.2%	2/9/2024	74%	4/3
Loan 18	Office	7/12/2019	Washington, D.C.	49,930	50,486	Floating	2.8%	5.7%	8/9/2024	68%	4/3
Loan 19	Multifamily	7/1/2019	Phoenix, AZ	43,014	43,249	Floating	2.7%	5.0%	7/9/2024	76%	4/3
Loan 20	Multifamily	10/9/2018	Dupont, WA	40,296	40,500	Floating	3.3%	5.6%	11/9/2023	82%	3/3
Loan 21	Multifamily	2/8/2019	Las Vegas, NV	37,919	38,237	Floating	3.2%	5.9%	2/9/2024	71%	4/3
Loan 22	Multifamily	5/22/2018	Henderson, NV	37,642	37,700	Floating	3.3%	5.3%	6/9/2023	73%	4/3
Loan 23	Multifamily	4/26/2018	Oxnard, CA	35,614	36,500	Floating	5.2%	7.2%	5/9/2021	71%	4/3
Loan 24	Office	9/26/2019	Salt Lake City, UT	35,804	36,241	Floating	2.7%	5.0%	10/9/2024	72%	4/3
Loan 25	Multifamily	5/3/2019	North Phoenix, AZ	35,822	36,187	Floating	3.4%	5.6%	5/9/2024	81%	4/3
Loan 26	Office	6/16/2017	Miami, FL	33,576	33,241	Floating	4.9%	6.2%	7/9/2022	68%	3/3
Loan 27	Hotel	11/8/2013	Bloomington, MN	27,500	29,587	n/a[7]	n/a[7]	n/a[7]	1/9/2020	100%	5/4
Loan 28	Office	3/28/2019	San Jose, CA	29,552	29,741	Floating	3.0%	5.9%	4/9/2024	64%	4/3
Loan 29	Multifamily	1/11/2019	Tempe, AZ	26,275	26,342	Floating	2.9%	5.2%	2/9/2024	79%	4/3
Loan 30	Office	1/15/2019	Santa Barbara, CA	25,001	26,236	Floating	3.2%	5.7%	2/9/2024	80%	3/3
Loan 31	Office	9/16/2019	San Francisco, CA	22,526	22,841	Floating	3.4%	6.1%	10/9/2024	72%	3/3
Loan 32	Multifamily	12/21/2018	Phoenix, AZ	21,771	21,828	Floating	2.9%	5.2%	1/9/2023	73%	4/3
Loan 33	Office	8/27/2019	San Francisco, CA	20,252	20,507	Floating	2.8%	5.6%	9/9/2024	73%	3/3
Loan 34	Office	2/26/2019	Charlotte, NC	18,752	18,960	Floating	3.4%	6.0%	3/9/2024	56%	3/3
Loan 35	Multifamily	2/8/2019	Las Vegas, NV	12,982	13,084	Floating	3.2%	5.9%	2/9/2024	71%	4/3
Total/Weighted average senior loans				$ 2,281,164	$ 2,315,817			6.4%	3/15/2024	70%	3.7/3.1
Mezzanine loans											
Loan 36[6]	Other (Mixed-use)	7/14/2017	Los Angeles, CA	$ 130,831	$ 136,461	Fixed	10.0%	13.0%	7/9/2022	55% – 81%	5/4
Loan 37[6]	Multifamily	12/26/2018	Santa Clarita, CA	49,240	52,159	Fixed	7.0%	13.8%	12/26/2024	56% – 84%	4/3
Loan 38[6]	Office	7/20/2018	Dublin, Ireland	36,668	34,424	Fixed	—%	12.5%	12/20/2021	45% – 68%	4/2
Loan 39	Hotel	9/23/2019	Berkeley, CA	27,680	28,773	Fixed	9.0%	11.5%	7/9/2025	66% – 81%	4/3
Loan 40	Other (Mixed-use)	3/19/2013	San Rafael, CA	18,735	18,743	n/a[7]	n/a[7]	n/a[7]	6/30/2020	32% – 86%	4/4
Loan 41	Multifamily	7/11/2019	Placentia, CA	21,310	22,612	Fixed	8.0%	13.3%	7/11/2024	51% - 84%	4/3
Loan 42	Hotel	1/9/2017	New York, NY	11,338	12,000	Floating	11.0%	12.3%	1/9/2022	63% – 76%	4/3
Loan 43	Multifamily	12/3/2019	Milpitas, CA	18,109	18,728	Fixed	8.0%	13.3%	12/3/2024	49% – 71%	4/3
Loan 44	Multifamily	7/30/2014	Various - TX	4,271	4,534	Fixed	9.5%	9.5%	8/11/2024	71% – 83%	4/3
Total/Weighted average mezzanine loans				$ 318,182	$ 328,434			12.1%	4/5/2023	54% – 78%	4.4/3.3

	Collateral type	Origination Date	City, State	Carrying value[1]	Principal balance	Coupon type	Cash Coupon[2]	Unlevered all-in yield[3]	Extended maturity date	Loan-to-value[4]	Q1 2020/Q4 2019 Risk ranking[5]
Preferred equity & other loans											
Loan 45	Industrial	9/1/2016	Various - U.S.	$ 100,560	$ 98,386	Fixed	14.1%	14.2%	9/2/2027	n/a	4/3
Loan 46	Office	5/8/2018	Various - N.Y.	78,351	99,190	Fixed	7.0%	12.0%	6/5/2027	n/a	4/4
Loan 47[6]	Other (Mixed-use)	7/14/2017	Los Angeles, CA	31,703	26,789	Fixed	10.0%	13.0%	7/9/2022	n/a	5/4
Loan 48[6][8]	Industrial	9/1/2016	Various - U.S.	24,300	—	n/a	n/a	n/a	9/2/2027	n/a	4/3
Loan 49	Office	8/22/2018	Las Vegas, NV	17,101	17,711	Fixed	8.0%	15.5%	9/9/2023	n/a	4/3
Loan 50	Other	6/28/2019	Various - U.S.	11,769	12,731	Fixed	10.0%	15.3%	5/28/2024	n/a	4/3
Loan 51[8]	Office	7/20/2018	Dublin, Ireland	3,650	—	n/a	n/a	n/a	12/20/2021	n/a	4/2
Loan 52	Other	5/2/2019	Various - U.S.	333	—	n/a	n/a	n/a	n/a	n/a	n/a
Loan 53[8]	Hotel	10/24/2014	Austin, TX	16	—	Fixed	n/a	0.0%	n/a	n/a	n/a
Total/Weighted average preferred equity & other loans[9]				$ 267,783	$ 254,807			12.0%	5/6/2026	—	4.1/3.4
Total/Weighted average senior and mezzanine loans and preferred equity - Core Portfolio				$ 2,867,129	$ 2,899,058			7.5%	4/19/2024	—	3.8/3.1

(1) Represents carrying values at our share as of March 31, 2020.
(2) Represents the stated coupon rate for loans; for floating rate loans, does not include USD 1-month London Interbank Offered Rate (“LIBOR”) which was 0.99% as of March 31, 2020.
(3) In addition to the stated cash coupon rate, unlevered all-in yield includes non-cash payment in-kind interest income and the accrual of origination, extension and exit fees. Unlevered all-in yield for the loan portfolio assumes the applicable floating benchmark rate as of March 31, 2020 for weighted average calculations.
(4) Except for construction loans, senior loans reflect the initial loan amount divided by the as-is value as of the date the loan was originated, or the principal amount divided by the appraised value as of the date of the most recent as-is appraisal. Mezzanine loans include attachment loan-to-value and detachment loan-to-value, respectively. Attachment loan-to-value reflects initial funding of loans senior to our position divided by the as-is value as of the date the loan was originated, or the principal amount divided by the appraised value as of the date of the most recent appraisal. Detachment loan-to-value reflects the cumulative initial funding of our loan and the loans senior to our position divided by the as-is value as of the date the loan was originated, or the cumulative principal amount divided by the appraised value as of the date of the most recent appraisal.
(5) On a quarterly basis, the Company’s senior and mezzanine loans and preferred equity are rated “1” through “5,” from less risk to greater risk. Represents risk ranking as of March 31, 2020 and December 31, 2019, respectively.
(6) Construction senior loans’ loan-to-value reflect the total commitment amount of the loan divided by the as completed appraised value, or the total commitment amount of the loan divided by the projected total cost basis. Construction mezzanine loans include attachment loan-to-value and detachment loan-to-value, respectively. Attachment loan-to-value reflects the total commitment amount of loans senior to our position divided by as-completed appraised value, or the total commitment amount of loans senior to our position divided by projected total cost basis. Detachment loan-to-value reflect the cumulative commitment amount of our loan and the loans senior to our position divided by as-completed appraised value, or the cumulative commitment amount of our loan and loans senior to our position divided by projected total cost basis.
(7) Loans 27 and 40 are on non-accrual status as of March 31, 2020; as such, no income is being recognized.
(8) Represents equity participation interests related to senior loans, mezzanine loans and/or preferred equity investments.
(9) Weighted average calculation for preferred equity and other loans excludes equity participation interests.

The following table details the types of properties securing our senior and mezzanine loans and preferred equity included in our Core Portfolio and geographic distribution as of March 31, 2020 (dollars in thousands):

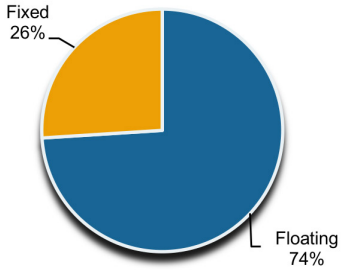
	Book value (at CLNC share)			
Collateral property type	**Senior mortgage loans**	**Mezzanine loans and preferred equity [1]**	**Total**	**% of Total**
Office	$ 749,268	$ 135,770	$ 885,038	31.0%
Multifamily	653,836	92,939	746,775	26.0%
Hotel	527,207	39,042	566,249	19.7%
Industrial	113,343	124,860	238,203	8.3%
Other[2]	237,510	193,354	430,864	15.0%
Total	$ 2,281,164	$ 585,965	$ 2,867,129	100.0%

	Book value (at CLNC share)			
Region	**Senior mortgage loans**	**Mezzanine loans and preferred equity [1]**	**Total**	**% of Total**
US West	$ 1,282,213	$ 351,354	$ 1,633,567	57.0%
US Northeast	493,645	94,334	587,979	20.5%
US Southwest	254,092	16,582	270,674	9.4%
US Southeast	52,328	31,086	83,414	2.9%
US Midwest	27,500	40,194	67,694	2.4%
Europe	171,386	40,317	211,703	7.4%
US Other[3]	—	12,098	12,098	0.4%
Total	$ 2,281,164	$ 585,965	$ 2,867,129	100.0%

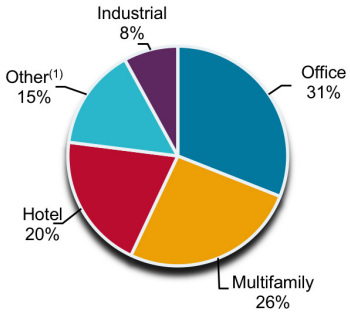
(1) Mezzanine loans and preferred equity also contains one corporate term loan secured by the borrower's limited partnership interests in a fund and a preferred equity investment in a loan origination platform.
(2) Other includes commercial and residential development and predevelopment assets, one corporate term loan secured by the borrower's limited partnership interests in a fund, and a preferred equity investment in a loan origination platform.
(3) US Other contains one corporate term loan secured by the borrower's limited partnership interests in a fund and a preferred equity investment in a loan origination platform.

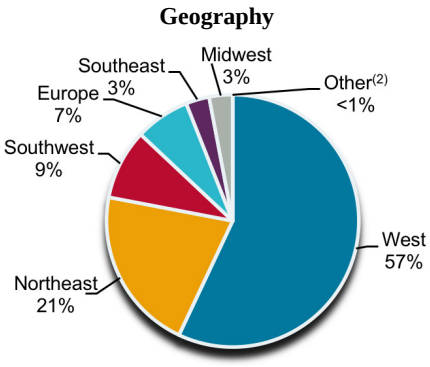
The following charts illustrate the diversification of our senior and mezzanine loans and preferred equity included in our Core Portfolio based on interest rate category, property type, and geography as of March 31, 2020 (percentages based on book value at our share, which represents the proportionate book value based on our ownership by asset):

Interest Rate Category



Property Type





(1) Other includes commercial and residential development and predevelopment assets, one corporate term loan secured by the borrower's limited partnership interests in a fund, and a preferred equity investment in a loan origination platform.
(2) Other contains one corporate term loan secured by the borrower's limited partnership interests in a fund and a preferred equity investment in a loan origination platform.

COVID-19 Update

We collected 99.0% of April interest payments on our Core Portfolio. Most of our borrowers paid on time utilizing cash from operations, while some utilized interest and other reserves. See table below (dollars in thousands):

	Carrying Values at March 31, 2020					
Collateral property type	**April Interest - Paid[1]**	**April Interest - Utilized Reserves[2]**	**April Interest - Delinquent**	**Total**	**Count[3]**	**Average Risk Ranking**
Hotel	$ 100,185	$ 438,548	$ 27,500	$ 566,233	7	4.1
Industrial	238,203	—	—	238,203	3	3.5
Multifamily	746,775	—	—	746,775	16	3.7
Office	885,038	—	—	885,038	19	3.6
Other[4]	430,531	—	—	430,531	6	3.8
Total	$ 2,400,732	$ 438,548	$ 27,500	$ 2,866,780	51	3.8
% of Total	**83.7%**	**15.3%**	**1.0%**	**100.0%**		

	Carrying Values at March 31, 2020					
Senior loans, mezzanine loans and preferred equity	**April Interest - Paid[1]**	**April Interest - Utilized Reserves[2]**	**April Interest - Delinquent**	**Total**	**Count[3]**	**Average Risk Ranking**
Senior mortgage loans[5]	$ 1,854,135	$ 427,210	$ 27,500	$ 2,308,845	36	3.7
Mezzanine loans	279,164	11,338	—	290,502	8	4.5
Preferred equity and other loans	267,433	—	—	267,433	7	4.1
Total	$ 2,400,732	$ 438,548	$ 27,500	$ 2,866,780	51	3.8
% of Total	**83.7%**	**15.3%**	**1.0%**	**100.0%**		

(1) Includes three multifamily senior loans with a total carrying value of $164.7 million in which the borrower needed to contribute cash to satisfy the April 2020 debt service due to net operating income shortfalls of the property.
(2) Includes one hospitality senior loan with a carrying value of $117.3 million in which the company made a property protection advance for April 2020 debt service.
(3) Count excludes two equity participations held in joint ventures with a combined carrying value (at CLNC share) of $0.3 million which were not assigned risk rankings.
(4) Other includes five loans totaling $418.7 million secured by commercial and residential development and predevelopment properties and one $11.8 million corporate term loan secured by the borrower's limited partnership interests in a fund.
(5) Includes one mezzanine loan totaling $27.7 million where we are also the senior lender.

We expect borrowers will experience difficulty to make their loan payments over the next several quarters. We are particularly concerned with and focused on loans collateralized by hotels as well as mezzanine loans and preferred equity investments that are subordinate to senior loans provided by other lenders. Failure of our borrowers to meet their loan obligations will not only impact our financial results but may also trigger repayments under our bank credit and master repurchase facilities. Our asset management team is having discussions with borrowers to remain informed on a reasonably current basis, seek to identify issues and address potential value preserving solutions, which may include a loan modification. For the three months ended March 31, 2020, we recorded a specific provision for loan loss of $2.3 million on a loan secured by a hotel with an unpaid principal balance of $29.8 million. This loan was placed on non-accrual status during 2019 and is the only loan in our Core Portfolio that was delinquent in April. We believe that it is too early to predict and quantify the full impact of principal loss, however if the current economic climate persists there is a potential for further losses or permanent impairment in future quarters.

Los Angeles Construction Loan and Preferred Equity Investment

We hold a $189.0 million commitment in a mezzanine loan and preferred equity investment in a development project in Los Angeles County which includes a hospitality and retail renovation and a new condominium tower construction. (the “Mixed-use Project”).

Our investment interests are held through a joint venture (the “Mezzanine Lender”) with affiliates of our Manager. The Mezzanine Lender maintains total commitments to the mezzanine loan and preferred equity investment of approximately $513.2 million of which our commitment is $189.0 million.

In April 2020, the senior mortgage lender notified the borrower developer that the Mixed-use Project loan funding is out of balance, due to cost overruns from certain hard and soft costs and senior loan interest reserve shortfalls projected through completion. On April 30, 2020, the Mezzanine Lender made a protective advance to the senior mortgage lender of $34.7 million, of which our share was $12.9 million. In addition, we may fund approximately $2.5 million, representing our ratable share among other funding joint venture participants, of an approximate $5.1 million shortfall to the protective advance as a result of the single investor non-funding event. We have a remaining unfunded commitment of $32.2 million, which is composed of $16.3 million of cash and the remaining to be funded from an interest reserve. It is anticipated that these current overruns may be further compounded by the impact of COVID-19, with actual and potential construction delays or other factors. Furthermore, once stages of the project are completed, diminished hotel and conference facility demand and slower pace of condominium sales could result in negative carry costs. As such, the borrower may require significant additional capital to complete and operate the Mixed-use Project.

The borrower, the senior mortgage lender and the Mezzanine Lender are in active dialogue regarding future funding requirements to complete the Mixed-use Project. The senior mortgage lender and Mezzanine Lender parties are considering options that include sourcing additional capital commitments from outside investors.

We believe it is possible that all or a part of the Mezzanine Lender’s interest is sold, and/or that additional commitments, if any, are obtained at a greater cost of capital and/or senior to the Mezzanine Lender’s investment interest. Consequently, the liquidity shortfall combined with uncertain market conditions as a result of COVID-19, may have a negative impact on the Mezzanine Lender’s investment interest and may result in an investment loss. (See Loans 36 and 47 in the table above). If additional funding sources are not available and/or the borrower is unable to fund current and future deficiencies, the Mezzanine Lender may be required to fund ongoing shortfalls. If the Mezzanine Lender determines it is unable or unwilling to fund beyond its remaining commitment it could result in a default under the senior mortgage loan and a foreclosure on all interests subordinate to the senior mortgage loan including the Mezzanine Lender and our investment.

Dublin, Ireland Senior Predevelopment Loan

We hold a $171.5 million co-lender interest (61%) in a senior mortgage loan in the amount of $266.5 million. The senior mortgage loan is also held by private investment vehicles managed by Colony Capital. The senior mortgage is Euro denominated and is for a fully entitled land acquisition for a mixed-use development project in Dublin, Ireland (Project Dockland).

As a result of delays in the Irish government zoning authorities providing updated guidelines and a framework for waterfront development, the borrower had to pause the submission of its final development application. Consequently, Project Dockland is six to nine months behind schedule. The effects of this delay may be further exacerbated by the COVID-19 impact on construction schedules and the ability of the borrower to obtain a senior secured development construction facility. COVID-19 may also negatively impact future demands for office and residential space. We and our senior mortgage co-lenders are in discussions with the borrower to address these uncertainties.

Accordingly, project delays combined with uncertain market conditions as a result of COVID-19, may have a negative impact on the senior lender’s investment interest and may result in a future valuation impairment or investment loss. (See Loan 3 in the table).

Refer to “COVID-19 Update” in “Liquidity and Capital Resources” below for further discussion regarding the COVID-19 pandemic and its impact on our future operating results, liquidity and financial condition.

Payment-In-Kind ("PIK") Interest Income

We have debt investments in our portfolio that contain a PIK provision. Contractual PIK interest, which represents contractually deferred interest added to the loan balance that is due at the end of the loan term, is generally recorded on an accrual basis to the extent such amounts are expected to be collected. During the first quarter of 2020 we recorded $8.4 million of total PIK interest. We will generally cease accruing PIK interest if there is insufficient value to support the accrual or management does not expect the borrower to be able to pay all principal and interest due.

CRE Debt Securities

The following table presents an overview of our CRE debt securities in our Core Portfolio as of March 31, 2020 (dollars in thousands):

			Weighted Average[1]			
CRE Debt Securities by ratings category[2]	Number of Securities	Book value	Cash coupon	Unlevered all-in yield	Remaining term	Ratings
Investment grade rated (BBB)	39	$ 158,711	3.2%	6.4%	6.3	BBB-
Non-investment grade rated (BB)	4	20,861	3.3%	12.1%	4.9	BB | B
"B-pieces" of CMBS securitization pools	8	90,603	4.6%	10.1%	5.6	—
Total/Weighted Average	51	$ 270,175	3.7%	8.1%	6.0	—

(1) Weighted average metrics weighted by book value, except for cash coupon which is weighted by principal balance.
(2) As of March 31, 2020, all CRE debt securities consisted of CMBS.

COVID-19 Update

Consistent with the overall market, our CRE debt securities (CMBS), which we mark-to-market, lost significant value for the three months ended March 31, 2020. We expect continued challenges to CRE debt security values, with possible permanent losses resulting from delinquencies and potential defaults in underlying loans, in particular, with respect to loans secured by hotel and retail properties. Further losses not only impact our financial results but may also trigger further repayments under our CMBS master repurchase facilities.

Refer to "COVID-19 Update" in "Liquidity and Capital Resources" below for further discussion regarding the COVID-19 pandemic and its impact on our future operating results, liquidity and financial condition.

Net Leased Real Estate

Our net leased 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 net leased real estate investments through joint ventures with one or more partners. As part of our net leased real estate 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, 2020, $1.0 billion, or 25.0% of our assets were invested in net leased real estate properties included in our Core Portfolio and these properties were 97.6% occupied. The following table presents our net leased real estate investments included in our Core Portfolio as of March 31, 2020 (dollars in thousands):

	Count	Carrying Value[1]	NOI/EBITDA for the three months ended March 31, 2020 [2]
Net leased real estate	6	$ 1,045,596	$ 17,577
Total/Weighted average net leased real estate - Core Portfolio	6	$ 1,045,596	$ 17,577

(1) Represents carrying values at our share as of March 31, 2020; includes real estate tangible assets, deferred leasing costs and other intangible assets less intangible liabilities.
(2) Net operating income is defined as property operating income excluding above/below market lease amortization less property operating expense. EBITDA is defined as net property operating income excluding interest, tax expense, depreciation and amortization. Please refer to "Non-GAAP Supplemental Financial Measures" for further information on NOI/EBITDA.

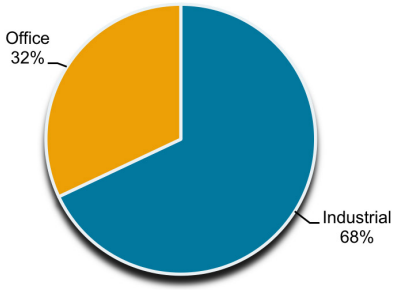
The following table provides asset-level detail of our net leased real estate included in our Core Portfolio as of March 31, 2020:

	Collateral type	City, State	Number of Properties	Number of Buildings	Rentable square feet ("RSF") / units/keys	Weighted average % leased[1]	Weighted average lease term (yrs)[2]
Net leased real estate							
Net lease 1	Industrial	Various - U.S.	22	22	6,697,304 RSF	88%	4.7
Net lease 2	Office	Stavenger, Norway	1	26	1,290,926 RSF	100%	10.2
Net lease 3	Industrial	Various - U.S.	2	2	2,787,343 RSF	100%	18.3
Net lease 4	Industrial	Various - OH	23	23	1,834,422 RSF	99%	3.6
Net lease 5	Office	Aurora, CO	1	1	183,529 RSF	100%	2.7
Net lease 6	Office	Indianapolis, IN	1	1	338,000 RSF	100%	5.8
Total/Weighted average net leased real estate			50	75	13,131,524 RSF	96%	9.5

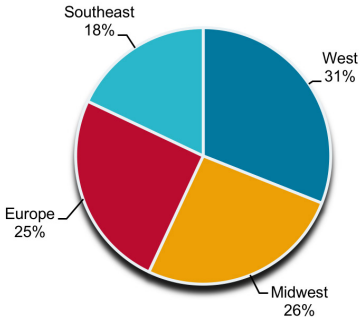
(1) Represents the percent leased as of March 31, 2020. Weighted average calculation based on carrying value at our share as of March 31, 2020.
(2) Based on in-place leases (defined as occupied and paying leases) as of March 31, 2020 and assumes that no renewal options are exercised. Weighted average calculation based on carrying value at our share as of March 31, 2020.

The following charts illustrate the concentration of our net leased real estate portfolio included in Core Portfolio based on property type and geography as of March 31, 2020 (percentages based on book value at our share, which represents the proportionate book value based on our ownership by asset):

Property Type



Geography



COVID-19 Update

We collected 94.8% of total April rents from our net leased real estate portfolio, with unpaid rents of approximately $0.4 million. We met all April mortgage obligations securing the properties within our net lease real estate portfolio. We believe these properties will continue to perform but caution that COVID-19 events could result in lease modifications, impairment and the inability to make our mortgage payments, all which could result in defaults under our mortgage obligations or trigger repayments under our bank credit facility.

During March 2020 we unwound our NOK FX Future contracts related to Net Lease 2 (Stavenger, Norway). Subsequently, likely due to weak demand and storage shortages for oil, the NOK experienced a depreciation versus the U.S. dollar.

Refer to "COVID-19 Update" in "Liquidity and Capital Resources" below for further discussion regarding the COVID-19 pandemic and its impact on our future operating results, liquidity and financial condition.

Results of Operations - Core Portfolio

The following table summarizes our Core Portfolio results of operations for the three months ended March 31, 2020 and 2019 (dollars in thousands):

	Three Months Ended March 31,		Increase (Decrease)	
	2020	2019	Amount	%
Net interest income				
Interest income	$ 44,400	$ 32,998	$ 11,402	34.6 %
Interest expense	(19,746)	(17,503)	(2,243)	12.8 %
Interest income on mortgage loans held in securitization trusts	20,555	38,476	(17,921)	(46.6)%
Interest expense on mortgage obligations issued by securitization trusts	(18,059)	(35,635)	17,576	(49.3)%
Net interest income	27,150	18,336	8,814	48.1 %
Property and other income				
Property operating income	21,512	29,903	(8,391)	(28.1)%
Other income	9,120	161	8,959	n.m.
Total property and other income	30,632	30,064	568	1.9 %
Expenses				
Management fee expense	6,516	9,086	(2,570)	(28.3)%
Property operating expense	3,684	8,946	(5,262)	(58.8)%
Transaction, investment and servicing expense	2,214	54	2,160	n.m.
Interest expense on real estate	8,461	8,570	(109)	(1.3)%
Depreciation and amortization	11,153	13,084	(1,931)	(14.8)%
Provision for loan losses	31,499	—	31,499	n.m.
Administrative expense	4,131	3,638	493	13.6 %
Total expenses	67,658	43,378	24,280	56.0 %
Other income (loss)				
Unrealized gain (loss) on mortgage loans and obligations held in securitization trusts, net	(19,452)	1,029	(20,481)	n.m.
Realized gain on mortgage loans and obligations held in securitization trusts, net	—	48	(48)	n.m.
Other loss, net	(20,512)	(3,827)	(16,685)	n.m.
Income (loss) before equity in earnings of unconsolidated ventures and income taxes	(49,840)	2,272	(52,112)	n.m.
Equity in earnings of unconsolidated ventures	14,074	18,368	(4,294)	(23.4)%
Income tax benefit (expense)	(163)	1,988	(2,151)	n.m.
Net income	$ (35,929)	$ 22,628	$ (58,557)	n.m.

Comparison of Core Portfolio for Three Months Ended March 31, 2020 and 2019

Net Interest Income

Interest income

Interest income increased by $11.4 million to $44.4 million for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019. The increase was primarily due to a $17.9 million increase from originations, acquisitions and refinancings of loans in 2019 and 2020. This was partially offset by a decrease of $5.7 million related to the repayment of loan investments.

Interest expense

Interest expense increased by $2.2 million to $19.7 million for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019. The increase was primarily due to a $5.0 million increase from originations, acquisitions and refinancings of loans in 2019 and 2020 and a $3.1 million increase related to the Company executing a securitization transaction collateralized by a pool of 21 senior loans. This was partially offset by $4.1 million decrease resulting from the repayment of securitization bonds payable and loan investments.

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

Interest income on mortgage loans and obligations held in securitization trusts, net decreased by $0.3 million for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019, primarily due to the sale and deconsolidation of a retained investment in the subordinate tranches of one securitization trust in the third quarter of 2019.

Property and other income

Property operating income

Property operating income decreased by $8.4 million to $21.5 million for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019. The decrease was primarily due to a $6.9 million reduction in operating income due to the sale of a hotel in the fourth quarter of 2019 and $1.1 million in lease expirations.

Other income

Other income increased by $9.0 million for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019, primarily due to unwinding of certain NOK FX forward contracts in the first quarter.

Expenses

Management fee expense

Management fee expense decreased by $2.6 million to $6.5 million for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019. The decrease is due to the reduction in stockholders' equity (as defined in the Management Agreement) as of March 31, 2020 compared to March 31, 2019. The reduction in stockholders' equity is primarily due to a fourth quarter 2019 amendment to our definition of core earnings in the Management Agreement.

Property operating expense

Property operating expense decreased by $5.3 million to $3.7 million for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019. The decrease resulted from the sale of a hotel during the fourth quarter of 2019.

Transaction, investment and servicing expense

Transaction, investment and servicing expense increased by $2.2 million to $2.2 million for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019, primarily due to $0.9 million in legal costs incurred associated with exploring the internalization of the management of the company and other value-enhancing opportunities and a $0.8 million decrease in tax refunds received.

Interest expense on real estate

Interest expense on real estate decreased by $0.1 million to $8.5 million for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019.

Depreciation and amortization

Depreciation and amortization expense decreased by $1.9 million to $11.2 million for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019. This was primarily due to a $0.9 million decrease resulting from the sale of a hotel during the fourth quarter of 2019 and a $0.8 million decrease due to fully depreciated assets during the quarter.

Provision for loan losses

Provision for loan losses increased by $31.5 million for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019. The was primarily due to the Company recording $29.2 million in CECL reserves in accordance with ASU No. 2016-13, *Financial Instruments-Credit Losses.*

Administrative expense

Administrative expense increased by $0.5 million to $4.1 million for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019. This increase was primarily due to higher audit fees and higher indirect costs reimbursed to our Manager.

Other income (loss)

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

During the three months ended March 31, 2020 and 2019, we recorded an unrealized loss of $19.5 million on mortgage loans and obligations held in securitization trusts, net which represents the change in fair value of the assets and liabilities of the securitization trusts consolidated as a result of our investment in the subordinate tranches of these securitization trusts acquired in the Combination.

Other loss, net

Other loss, net increased by $16.7 million for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019. The decrease was primarily due to a $12.3 million unrealized loss on non-designated interest rate swap contracts entered into in 2018 and a $4.3 million unrealized loss on non-designated foreign exchange contracts entered into during 2018.

Equity in earnings of unconsolidated ventures

Equity in earnings of unconsolidated ventures decreased by $4.3 million to $14.1 million for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019. This was primarily due to a decrease of $3.2 million related to the repayment of equity method investments and a $0.7 million decrease related to one equity method investment backed by a mezzanine loan that was placed on non-accrual status

Income tax benefit (expense)

Income tax benefit decreased by $2.2 million to an income tax expense of $0.2 million for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019, primarily due to a $2.7 million reduction in the deferred income tax benefit on one of our net lease portfolios acquired in 2018, partially offset by a $0.4 million decrease to income tax provision on a hotel acquired through the legal foreclosure process in the third quarter of 2018, and subsequently sold in December 2019.

Our Legacy, Non-Strategic Portfolio

As of March 31, 2020, our Legacy, Non-Strategic Portfolio consisted of 51 investments representing approximately $583.0 million in book value (excluding cash, cash equivalents and certain other assets). Our loan portfolio consisted of four senior mortgage loans, six mezzanine loans and one preferred equity investment and had a weighted average cash coupon of 0.6% and a weighted average all-in unlevered yield of 1.1%. Our owned real estate portfolio (including net leased and other real estate) consisted of approximately 4.3 million total square feet of space and the total first quarter NOI of that portfolio was approximately $8.8 million (based on leases in place as of March 31, 2020).

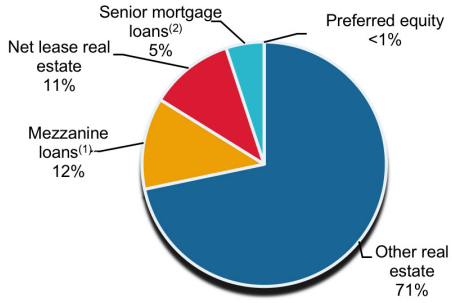
As of March 31, 2020, our Legacy, Non-Strategic Portfolio consisted of the following investments (dollars in thousands):

	Count[1]	Book value (Consolidated)	Book value (at CLNC share)[2]	Net book value (Consolidated)[3]	Net book value (at CLNC share)[4]
Legacy, Non-Strategic Portfolio					
Senior mortgage loans[5]	4	$ 28,139	$ 28,139	$ 12,314	$ 12,314
Mezzanine loans[5]	6	62,909	62,863	62,909	62,863
Preferred equity[5]	1	687	687	687	687
Net leased real estate	6	59,375	59,375	4,049	4,049
Other real estate	30	423,153	375,320	124,612	112,221
Private equity interests	4	8,764	8,764	8,764	8,764
Total/Weighted average Legacy, Non-Strategic Portfolio	51	$ 583,027	$ 535,148	$ 213,335	$ 200,898

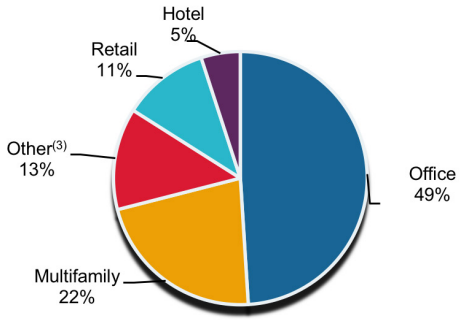
(1) Count for net leased and other real estate represents number of investments.
(2) Book value at our share represents the proportionate book value based on ownership by asset as of March 31, 2020.
(3) Net book value represents book value less any associated financing as of March 31, 2020.
(4) Net book value at our share represents the proportionate book value based on asset ownership less any associated financing based on ownership as of March 31, 2020.
(5) Senior mortgage loans, mezzanine loans, and preferred equity include investments in joint ventures whose underlying interest is in a loan or preferred equity.

The following charts illustrate the diversification of our Legacy, Non-Strategic Portfolio (not including private equity interests) based on investment type, underlying property type, and geography, as of March 31, 2020 (percentages based on book value at our share, which represents the proportionate book value based on our ownership by asset):

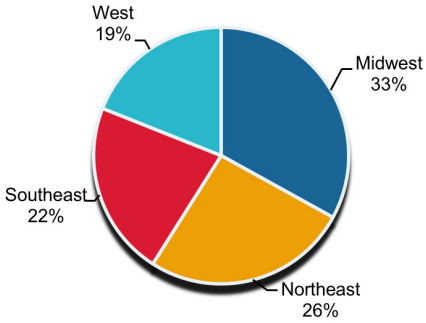
Investment Type



Property Type



Geography



(1) Mezzanine loans include other subordinated loans.
(2) 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.
(3) Other includes commercial and residential development and predevelopment assets.

Legacy, Non-Strategic Portfolio: Senior and Mezzanine Loans and Preferred Equity

Our Legacy, Non-Strategic Portfolio includes senior mortgage loans, mezzanine loans and preferred equity interests.

The following table provides a summary of senior and mezzanine loans and preferred equity included in our Legacy, Non-Strategic Portfolio as of March 31, 2020 (dollars in thousands):

				Weighted Average(1)			
	Count	Book value (at CLNC share)(2)	Principal balance (2)	Cash coupon(3)	Unlevered all-in yield(4)	Remaining Term(5)	Extended Remaining Term(6)
Senior loans	4	$ 28,139	$ 181,578	0.9%	3.5%	0.1	0.1
Mezzanine loans	6	62,863	196,063	0.3%	—%	0.5	1.4
Preferred equity	1	687	—	—	—	—	—
Total/Weighted average senior and mezzanine loans and preferred equity - Legacy, Non-Strategic Portfolio	11	$ 91,689	$ 377,641	0.6%	1.1%	0.4	1.0

(1) Weighted average metrics weighted by book value at our share, except for cash coupon which is weighted by principal balance at our share.
(2) Book value and principal balance at our share represents the proportionate value based on ownership by asset as of March 31, 2020.
(3) Represents the stated coupon rate for loans; for floating rate loans, assumes USD 1-month LIBOR which was 0.99% as of March 31, 2020.

(4) In addition to the stated cash coupon rate, unlevered all-in yield includes non-cash payment in-kind interest income and the accrual of origination, extension and exit fees. Unlevered all-in yield for the loan portfolio assumes the applicable floating benchmark rate as of March 31, 2020 for weighted average calculations.
(5) Represents the remaining term based on the current contractual maturity date of loans.
(6) Represents the remaining term based on a maximum maturity date assuming all extension options on loans are exercised by the borrower.

The following table details senior and mezzanine loans and preferred equity included in our Legacy, Non-Strategic Portfolio by fixed or floating rate as of March 31, 2020 (dollars in thousands):

				Weighted Average[1]			
	Number of loans	Book value (at CLNC share)[2]	Principal balance[2]	Spread to LIBOR	All-in unlevered yield[3]	Remaining term[4]	Extended remaining term[5]
Floating rate loans	4	$ 16,625	$ 167,904	1.1%	5.9%	0.1	0.1
Fixed rate loans[6]	7	75,064	209,737	—	—%	0.4	1.2
Total/ Weighted average	11	$ 91,689	$ 377,641	—	1.1%	0.4	1.0

(1) 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. Book and principal balances at share exclude a de minimis amount of noncontrolling interest. See the table located above in "Our Portfolio" for further information.
(2) Book value and principal balance at our share represents the proportionate value based on ownership by asset as of March 31, 2020.
(3) In addition to cash coupon, all-in unlevered yield includes the amortization of deferred origination fees, purchase price premium and discount, loan origination costs and accrual of both extension and exit fees. For weighted average calculations, all-in yield for the loan portfolio assumes the USD 1-month LIBOR as of March 31, 2020, which was 0.99%.
(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 one preferred equity investment.

The following table details the types of properties securing senior and mezzanine loans and preferred equity included in our Legacy, Non-Strategic Portfolio and geographic distribution as of March 31, 2020 (dollars in thousands):

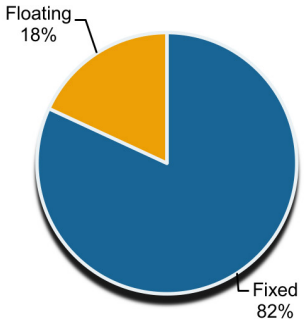
Collateral property type	Book value	% of total
Other[1]	$ 70,532	76.9%
Retail	21,157	23.1%
Total	$ 91,689	100.0%

Region	Book value	% of total
West	$ 87,157	95.1%
Northeast	4,021	4.4%
Midwest	500	0.5%
Southeast	11	—%
Total	$ 91,689	100.0%

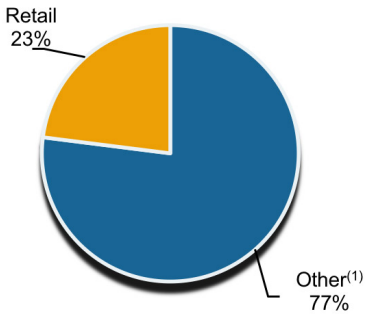
(1) Other includes commercial and residential development and predevelopment assets.

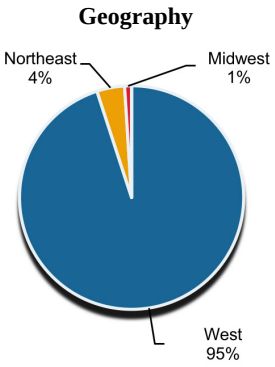
The following charts illustrate the diversification of senior and mezzanine loans and preferred equity included in our Legacy, Non-Strategic Portfolio based on interest rate category, property type, and geography as of March 31, 2020 (percentages based on book value at our share, which represents the proportionate book value based on our ownership by asset):

Interest Rate Category



Property Type





(1) Other includes commercial and residential development and predevelopment assets.

In March 2018, the borrower on our four NY hospitality loans in our Legacy, Non-Strategic Portfolio failed to make all required interest payments and the loans were placed on nonaccrual status. These four loans are secured by the same collateral. During 2018, we recorded $53.8 million of provision for loan losses to reflect the estimated value to be recovered from the borrower following a sale. During 2019, we recorded an additional provision for loan loss of $154.3 million based on significant deterioration in the NY hospitality market, feedback from the sales process and the estimated value to be recovered from the borrower following a potential sale. During the three months ended March 31, 2020 the significant detrimental impact of COVID-19 on the U.S. hospitality industry further contributed to the deterioration of our four NY hospitality loans and as such we recorded an additional provision for loan losses of $36.8 million. On April 22, 2020, we completed a discounted payoff of the NY hospitality loans and related investment interests.

Within our Legacy, Non-Strategic Portfolio, we have certain other loans secured by regional malls, that we have been closely monitoring, as follows:

- We placed one loan secured by a regional mall (“Midwest Regional Mall”) on non-accrual status during 2019 as collectability of the principal was uncertain; as such, interest collected is recognized using the cost recovery method by applying interest collected as a reduction to loan carrying value. We recorded $10.6 million of impairment related to Midwest Regional Mall during 2019. Additionally, this loan was transferred to held for sale during 2019 and remains held for sale as of March 31, 2020.

- During 2018, we recorded $8.8 million of provision for loan losses on one loan secured by a regional mall (“Northeast Regional Mall B”) to reflect the estimated fair value of the collateral. During 2019, we recognized additional provision for loan losses of $10.5 million on Northeast Regional Mall B. The additional provisions were based on then-current and prospective leasing activity to reflect the estimated fair value of the collateral. During the three months ended March 31, 2020, the Northeast Regional Mall was sold. We received $9.2 million in gross proceeds and recognized a gain of $1.8 million.

- Also, during 2019, we separately recognized provision for loan losses of $18.5 million on two loans secured by one regional mall (“West Regional Mall”) to reflect the estimated fair value of the collateral. Subsequent to March 31, 2020, the West Regional Mall loan was sold. We received $23.5 million in gross proceeds and will recognize a gain of $6.8 million.

- Furthermore, during 2019, we recognized a $26.7 million provision for loan losses on three loans to two separate borrowers (“South Regional Mall A” and “South Regional Mall B”) to reflect the estimated fair value of the collateral. During the three months ended March 31, 2020, we accepted a discounted payoff of South Regional Mall A. We received $22.0 million in gross proceeds and recognized a loss of $1.6 million. Additionally, during the three months ended March 31, 2020 South Regional Mall B was sold. We received $13.5 million in gross proceeds and recognized a gain of $8.7 million.

Impairment of Loans and Preferred Equity Held in Joint Ventures

During the year ended December 31, 2019, we recognized our proportionate share of impairment loss totaling $14.7 million on one senior loan secured by a regional mall (“Southeast Regional Mall”) of which we owned 50.0% of the joint venture. Southeast Regional Mall was included in our Legacy, Non-Strategic Portfolio prior to its sale during the three months ended March 31, 2020. We received $13.4 million in gross sales proceeds and recognized a gain of $1.6 million.

COVID-19 Update

During the three months ended March 31, 2020 and through May 7, 2020, we sold 12 loans generating gross proceeds of $104.7 million. Our four remaining loans are on non-accrual, of which three have paid April interest and one is in forbearance. We have reviewed the remaining loans in our Legacy, Non-Strategic portfolio, and believe that it is too early to predict and quantify the full impact of principal loss. However, further losses or permanent impairment in future quarters are possible.

Legacy, Non-Strategic Portfolio: Owned Real Estate

Our owned real estate includes 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 own operating real estate investments through joint ventures with one or more partners. These properties are typically well-located with strong operating partners.

As of March 31, 2020, $434.7 million, or 81.2%, of our Legacy, Non-Strategic Portfolio was invested in owned real estate and was 89.0% occupied. The following table provides a summary of net leased and other real estate included in our Legacy, Non-Strategic Portfolio as of March 31, 2020 (dollars in thousands):

	Count	Carrying Value[1]	NOI/EBITDA for the three months ended March 31, 2020[2]
Net leased real estate	6	$ 59,375	$ 1,810
Other real estate	30	375,320	6,942
Total/Weighted average owned real estate - Legacy, Non-Strategic Portfolio	36	$ 434,695	$ 8,752

(1) Represents carrying values at our share as of March 31, 2020; includes real estate tangible assets, deferred leasing costs and other intangible assets less intangible liabilities.
(2) Excludes NOI/EBITDA of $2.2 million that relates to five properties that sold during the first quarter. Please refer to "Non-GAAP Supplemental Financial Measures" for further information on NOI/EBITDA.

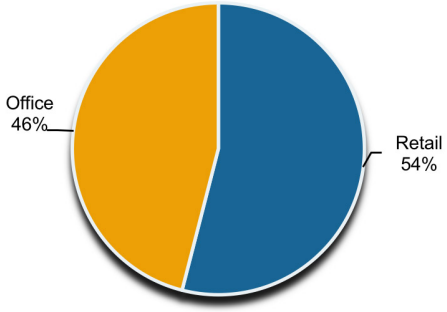
The following table provides asset-level details of our net leased and other real estate included in our Legacy, Non-Strategic Portfolio as of March 31, 2020:

	Collateral type	City, State	Number of properties	Number of buildings	RSF / units/keys	Weighted average % leased[1]	Weighted average lease term (yrs)[2]
Net leased real estate							
Net lease 1	Retail	Various - U.S.	7	7	319,600 RSF	100%	4.0
Net lease 2	Office	Columbus, OH	1	1	199,122 RSF	52%	6.7
Net lease 3	Office	Rockaway, NJ	1	1	121,038 RSF	100%	2.8
Net lease 4	Retail	Keene, NH	1	1	45,471 RSF	100%	8.8
Net lease 5	Retail	Fort Wayne, IN	1	1	50,000 RSF	100%	4.4
Net lease 6	Retail	South Portland, ME	1	1	52,900 RSF	100%	3.5
Total/Weighted average net leased real estate			12	12	788,131 RSF	87%	4.9
Other real estate							
Other real estate 1	Office	Creve Coeur, MO	7	7	847,604 RSF	93%	4.3
Other real estate 2	Office	Warrendale, PA	5	5	496,414 RSF	100%	4.9
Other real estate 3	Multifamily	New Orleans, LA	1	1	375 Units	92%	n/a
Other real estate 4	Hotel	Coraopolis, PA	1	1	318 Keys	n/a	n/a
Other real estate 5	Multifamily	Kalamazoo, MI	1	24	584 Units	95%	n/a
Other real estate 6	Multifamily	Cayce, SC	1	1	466 Units	81%	n/a
Other real estate 7	Multifamily	Central, SC	1	10	469 Units	98%	n/a
Other real estate 8	Office	Omaha, NE	1	1	404,865 RSF	67%	1.1
Other real estate 9	Office	Greensboro, NC	1	1	129,717 RSF	88%	2.3
Other real estate 10	Multifamily	Gillette, WY	1	6	139 Units	88%	n/a
Other real estate 11	Office	Greensboro, NC	1	1	86,321 RSF	85%	1.4
Other real estate 12	Office	Winston Salem, NC	1	1	140,132 RSF	43%	1.2
Other real estate 13	Office	Bath, ME	1	1	37,623 RSF	100%	0.8
Other real estate 14	Office	Topeka, KS	1	1	194,989 RSF	71%	3.1
Other real estate 15	Retail	Anchorage, AK	1	1	343,995 RSF	65%	1.0
Other real estate 16	Office	Greensboro, NC	1	2	58,978 RSF	22%	0.6
Other real estate 17	Retail	West Columbia, SC	1	1	52,375 RSF	58%	0.8
Other real estate 18	Office	Greensboro, NC	1	1	48,042 RSF	31%	0.3
Other real estate 19	Office	Greensboro, NC	1	1	47,690 RSF	67%	0.8
Other real estate 20	Office	Greensboro, NC	1	1	47,211 RSF	10%	—
Other real estate 21	Office	Greensboro, NC	1	4	42,123 RSF	51%	0.5
Other real estate 22	Office	Anchorage, AK	1	5	11,475 RSF	100%	1.3
Other real estate 23	Office	Greensboro, NC	1	1	34,060 RSF	40%	0.3
Other real estate 24	Office	Greensboro, NC	1	1	34,903 RSF	46%	0.6
Other real estate 25	Office	Greensboro, NC	1	1	26,563 RSF	55%	0.2
Other real estate 26	Multifamily	Evansville, WY	1	1	191 Units	41%	n/a
Other real estate 27	Office	Greensboro, NC	1	1	32,905 RSF	100%	6.0
Other real estate 28	Office	Greensboro, NC	1	1	35,224 RSF	44%	0.3
Other real estate 29	Office	Greensboro, NC	1	1	23,145 RSF	63%	1.0
Other real estate 30	Office	Topeka, KS	1	1	194,989 RSF	71%	3.1
Total/Weighted average other real estate			40	85	n/a	83%	2.4
Total/Weighted average owned real estate - Legacy, Non-Strategic Portfolio			52	97			

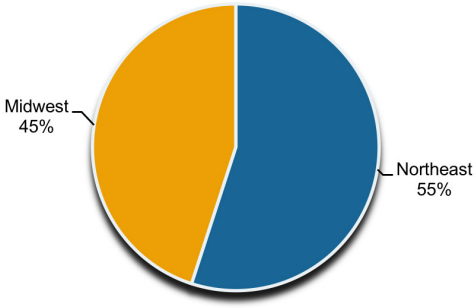
(1) Represents the percent leased as of March 31, 2020. Weighted average calculation based on carrying value at our share as of March 31, 2020.
(2) Based on in-place leases (defined as occupied and paying leases) as of March 31, 2020 and assumes that no renewal options are exercised. Weighted average calculation based on carrying value at our share as of March 31, 2020.

The following charts illustrate the concentration of our net leased real estate included in our Legacy, Non-Strategic Portfolio based on property type and geography as of March 31, 2020 (percentages based on book value at our share, which represents the proportionate book value based on our ownership by asset):

Property Type

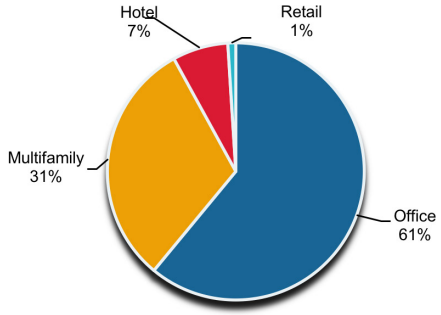


Geography

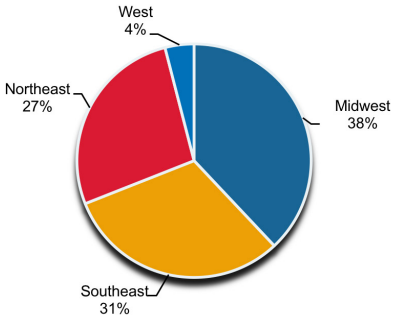


The following charts illustrate the diversification of our other real estate included in our Legacy, Non-Strategic Portfolio based on property type and geography as of March 31, 2020 (percentages based on book value at our share, which represents the proportionate book value based on our ownership by asset):

Property Type



Geography



COVID-19 Update

We collected 79.9% of total April rents across our Legacy, Non-Strategic Portfolio. In particular, nine properties net leased to a national retail chain, representing $0.5 million, did not pay April rent. Tenants that did not pay April rent were primarily retail related businesses. The carrying value at our share for those properties is $32.0 million. We reviewed our Legacy, Non-Strategic owned real estate portfolio and our asset management team is in active discussions with all lessees to remediate the delinquent rents and determine the long-term implications. See table below:

(Dollars in thousands)	April 2020 Rent		
	Billed	Collected	% Collected
Office	$ 4,099	$ 3,690	90.0%
Student Housing	804	613	76.2%
Multifamily	696	650	93.4%
Retail	653	54	8.3%
Industrial	11	—	—%
Hotel	—	—	n/a
	$ 6,263	$ 5,007	79.9%

We met all of our April mortgage obligations securing the properties within our Legacy, Non-Strategic portfolio. We caution that known and unknown COVID-19 events could result in lease modifications, impairment and the inability to make our mortgage payments, all which could result in default under our mortgage obligations.

Refer to “COVID-19 Update” in “Liquidity and Capital Resources”, respectively, below for further discussion regarding the COVID-19 pandemic and its impact on our future operating results, liquidity and financial condition.

Results of Operations - Legacy, Non-Strategic Portfolio

The following table summarizes our Legacy, Non-Strategic Portfolio results of operations for the three months ended March 31, 2020 and 2019 (dollars in thousands):

	Three Months Ended March 31,		Increase (Decrease	
	2020	2019	Amount	%
Net interest income				
Interest income	$ 1,704	$ 5,411	$ (3,707)	(68.5)%
Interest expense	(998)	(1,789)	791	(44.2)%
Net interest income	706	3,622	(2,916)	(80.5)%
Property and other income				
Property operating income	31,001	33,231	(2,230)	(6.7)%
Other income	289	16	273	n.m.
Total property and other income	31,290	33,247	(1,957)	(5.9)%
Expenses				
Management fee expense	1,430	2,272	(842)	(37.1)%
Property operating expense	18,847	19,234	(387)	(2.0)%
Transaction, investment and servicing expense	920	475	445	93.7 %
Interest expense on real estate	4,617	5,037	(420)	(8.3)%
Depreciation and amortization	6,823	14,578	(7,755)	(53.2)%
Provision for loan losses	38,433	—	38,433	n.m.
Impairment of operating real estate	4,126	—	4,126	n.m.
Administrative expense	2,907	3,015	(108)	(3.6)%
Total expenses	78,103	44,611	33,492	75.1 %
Other income				
Other gain (loss), net	350	(1,252)	1,602	n.m.
Loss before equity in earnings of unconsolidated ventures and income taxes	(45,757)	(8,994)	(36,763)	n.m.
Equity in earnings of unconsolidated ventures	3,093	2,942	151	5.1 %
Income tax expense	(1,548)	(1,619)	71	(4.4)%
Net income (loss)	$ (44,212)	$ (7,671)	$ (36,541)	n.m.

Comparison of Legacy, Non-Strategic Portfolio for Three Months Ended March 31, 2020 and 2019

Net Interest Income

Interest income

Interest income decreased by $3.7 million to $1.7 million for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019. This decrease was primarily due to $1.4 million related to the sale and repayment of loan investments, $0.9 million related to the sale of one foreclosed loan investment and $0.4 million due to placing one retail loan on nonaccrual status.

Interest expense

Interest expense decreased by $0.8 million to $1.0 million for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019. The decrease was primarily due to a $1.0 million decrease related to borrowings on the revolving credit facility.

Property and other income

Property operating income

Property operating income decreased by $2.2 million to $31.0 million for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019. The decrease was primarily due to a $1.4 million decrease related to 10 real estate properties sold within the past twelve months.

Other income

Other income increased by $0.3 million to $0.3 million for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019. The Company recorded $0.3 million in extension fees related to a held for sale operating real estate property.

Expenses

Management fee expense

Management fee expense decreased by $0.8 million to $1.4 million for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019. The decrease is due to the reduction in stockholders' equity (as defined in the Management Agreement) as of March 31, 2020 compared to March 31, 2019. The reduction in stockholders' equity is primarily due to a fourth quarter 2019 amendment to our definition of core earnings in the Management Agreement, as well as distributions declared and paid.

Property operating expense

Property operating expense decreased by $0.4 million to $18.8 million for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019.

Transaction, investment and servicing expense

Transaction, investment and servicing expense increased by $0.4 million to $0.9 million for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019, primarily as a result of $0.4 million of legal costs incurred associated with exploring the internalization of the management of the company and other value-enhancing opportunities.

Interest expense on real estate

Interest expense on real estate decreased by $0.4 million to $4.6 million for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019. The decrease resulted from real estate properties sold within the past twelve months.

Depreciation and amortization

Depreciation and amortization expense decreased by $7.8 million to $6.8 million for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019. This was primarily due to a $5.2 million decrease related to 27 real estate properties classified as held for sale in 2019 and 2020.

Provision for loan losses

Provision for loan losses of $38.4 million was recorded for the three months ended March 31, 2020, which is primarily attributable to the Company recording an additional provision of $36.8 million for our four NY hospitality loans due to the detrimental impact of COVID-19 on the hospitality industry.

Impairment of operating real estate

Impairment of operating real estate of $4.1 million for the three months ended March 31, 2020 is resulting from a reduction in the holding period of certain properties sold during the period.

Administrative expense

Administrative expense decreased by $0.1 million to $2.9 million for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019.

Other income

Other gain, net

Other loss, net decreased by $1.6 million to other gain for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019. The increase was primarily due to $1.2 million related to professional fees associated with the sale of our PE Investments in 2019 and $0.5 million related to gain on sale of one real estate property.

Equity in earnings of unconsolidated ventures

Equity in earnings of unconsolidated ventures increased by $0.2 million to $3.1 million for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019. This was primarily due to $3.8 million gain on the sale of a senior loan held in a joint venture and various PE Investments, partially offset by $3.7 million related to placing two senior loans held in joint ventures on nonaccrual status.

Income tax expense

Income tax expense decreased by $0.1 million to $1.5 million for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019.

Non-GAAP Supplemental Financial Measures

Core Earnings/Legacy, Non-Strategic Earnings

We present Core Earnings/Legacy, Non-Strategic Earnings, which is a non-GAAP supplemental financial measure of our performance. Our Core Earnings are generated by the Core Portfolio and Legacy, Non-Strategic Earnings are generated by the Legacy, Non-Strategic Portfolio. We believe that Core Earnings/Legacy, Non-Strategic 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. For information on the fees we pay our Manager, see Note 10, “Related Party Arrangements” to our consolidated financial statements included in this Form 10-Q. In addition, we believe that our investors also use Core Earnings/Legacy, Non-Strategic Earnings or a comparable supplemental performance measure to evaluate and compare the performance of us and our peers, and as such, we believe that the disclosure of Core Earnings/Legacy, Non-Strategic Earnings is useful to our investors.

We define Core Earnings/Legacy, Non-Strategic 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 or other strategic transactions, (iii) the incentive fee, (iv) acquisition costs from successful acquisitions, (v) gains or losses from sales of real estate property and impairment write-downs of depreciable real estate, including unconsolidated joint ventures and preferred equity investments, (vi) CECL reserves determined by probability of default/loss given default (“PD/LGD”) model, (vii) depreciation and amortization, (viii) 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, (ix) one-time events pursuant to changes in U.S. GAAP and (x) certain material non-cash income or expense items that in the judgment of management should not be included in Core Earnings/Legacy, Non-Strategic Earnings. For clauses (ix) and (x), 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. U.S. GAAP net income (loss) attributable to our common stockholders and Core Earnings/Legacy, Non-Strategic Earnings include provision for loan losses.

Prior to the third quarter of 2019, Core Earnings reflected adjustments to U.S. GAAP net income to exclude impairment of real estate and provision for loan losses. During the third quarter of 2019, we revised our definition of Core Earnings to include the provision for loan losses while excluding realized losses of sales of real estate property and impairment write-downs of preferred equity investments. This was approved by a majority of our independent directors.

Core Earnings/Legacy, Non-Strategic 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/Legacy, Non-Strategic 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 our common stockholders to Core Earnings/Legacy, Non-Strategic Earnings attributable to our common stockholders and noncontrolling interest of the Operating Partnership (dollars and share amounts in thousands, except per share data) for the three months ended March 31, 2020:

	Three Months Ended March 31, 2020		
	Total	Legacy, Non-Strategic Portfolio	Core Portfolio
Net income (loss) attributable to Colony Credit Real Estate, Inc. common stockholders	$ (78,772)	$ (43,774)	$ (34,998)
Adjustments:			
Net income (loss) attributable to noncontrolling interest of the Operating Partnership	(1,892)	(1,049)	(843)
Non-cash equity compensation expense	342	154	188
Transaction costs	1,865	684	1,181
Depreciation and amortization	17,510	6,131	11,379
Net unrealized loss (gain) on investments:			
Impairment of operating real estate and preferred equity	4,126	4,126	—
Other unrealized loss	40,360	34	40,326
CECL reserves[2]	29,000	(153)	29,153
Gains on sales of real estate	(452)	(452)	—
Adjustments related to noncontrolling interests	(589)	(376)	(213)
Core Earnings (Loss) / Legacy, Non-Strategic Earnings (Loss) attributable to Colony Credit Real Estate, Inc. common stockholders and noncontrolling interest of the Operating Partnership	$ 11,498	$ (34,675)	$ 46,173
Core Earnings (Loss) / Legacy, Non-Strategic Earnings (Loss) per share[1]	$ 0.09	$ (0.26)	**$ 0.35**
Weighted average number of common shares and OP units[1]	131,563	131,563	131,563

(1) We calculate Core Earnings (Loss) / Legacy, Non-Strategic Earnings (Loss) 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 the three months ended March 31, 2020, weighted average number of common shares includes 3.1 million OP units.

(2) Includes $29.0 million in provision for loan losses calculated by the company's PD/LGD model and excludes $40.7 million which was evaluated individually and included in Core Earnings.

NOI and EBITDA

We believe NOI and EBITDA are useful measures of operating performance of our net leased and other real estate portfolios as they are more closely linked to the direct results of operations at the property level. NOI and EBITDA excludes historical cost depreciation and amortization, which are based on different useful life estimates depending on the age of the properties, as well as adjusts for the effects of real estate impairment and gains or losses on sales of depreciated properties, which eliminate differences arising from investment and disposition decisions. Additionally, by excluding corporate level expenses or benefits such as interest expense, any gain or loss on early extinguishment of debt and income taxes, which are incurred by the parent entity and are not directly linked to the operating performance of the Company's properties, NOI and EBITDA provide a measure of operating performance independent of the Company's capital structure and indebtedness. However, the exclusion of these items as well as others, such as capital expenditures and leasing costs, which are necessary to maintain the operating performance of the Company's properties, and transaction costs and administrative costs, may limit the usefulness of NOI and EBITDA. NOI and EBITDA may fail to capture significant trends in these components of U.S. GAAP net income (loss) which further limits its usefulness.

NOI and EBITDA should not be considered as an alternative to net income (loss), determined in accordance with U.S. GAAP, as an indicator of operating performance. In addition, our methodology for calculating NOI involves subjective judgment and discretion and may differ from the methodologies used by other companies, when calculating the same or similar supplemental financial measures and may not be comparable with other companies.

The following table presents a reconciliation of net income (loss) attributable to our common stockholders to NOI/EBITDA attributable to our common stockholders (dollars in thousands) for the three months ended March 31, 2020:

	Three Months Ended March 31, 2020		
	Total	Legacy, Non-Strategic Portfolio	Core Portfolio
Net income (loss) attributable to Colony Credit Real Estate, Inc. common stockholders	$ 111	$ (3,077)	$ 3,188
Adjustments:	—		
Net income (loss) attributable to noncontrolling interest in investment entities	145	210	(65)
Amortization of above- and below-market lease intangibles	(404)	(399)	(5)
Interest expense on real estate	13,076	4,615	8,461
Other income	(9,280)	(261)	(9,019)
Transaction, investment and servicing expense	201	58	143
Depreciation and amortization	17,976	6,823	11,153
Impairment of operating real estate	4,126	4,126	—
Administrative expense	91	9	82
Other (gain) loss on investments, net	3,733	(351)	4,084
Income tax benefit	(198)	—	(198)
NOI/EBITDA attributable to noncontrolling interest in investment entities	(1,070)	(823)	(247)
Total NOI/EBITDA attributable to Colony Credit Real Estate, Inc. common stockholders	$ 28,507	$ 10,930	**$ 17,577**

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 and fund other general business needs. We use significant cash to make additional investments, meet commitments to existing 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 several 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, there may be opportunities from time to time to access liquidity through public offerings of debt and equity securities. We also invested 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 has and 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 $560 million secured revolving credit facility, up to approximately $2.3 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 using hedges, as appropriate.

Debt-to-Equity Ratio

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

	March 31, 2020	December 31, 2019
Debt-to-equity ratio[(1)]	1.5x	1.4x

(1) Represents (i) total outstanding secured debt less cash and cash equivalents of $393.8 million to (ii) total equity, in each case, at period end.

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. On February 4, 2019, the aggregate amount of revolving commitments was increased to $560.0 million, and on May 6, 2020 these commitments were reduced to $450.0 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 support the outstanding borrowings. The Bank Credit Facility will mature on February 1, 2022, unless the OP elects to exercise the extension options for up to two additional terms of six months each, subject to the terms and conditions in the Bank Credit Facility, resulting in a latest maturity date of February 1, 2023.

The obligations of the Borrowers under the Bank Credit Facility are guaranteed by substantially all material wholly owned subsidiaries of the OP pursuant to a Guarantee and Collateral Agreement with the OP and certain subsidiaries of the OP in favor of JPMorgan Chase Bank, N.A., as administrative agent (the "Guarantee and Collateral Agreement") 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) consolidated tangible net worth of the OP must be greater than or equal to the sum of (i) $1.5 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 plus lease expenses to fixed charges for any period of four (4) consecutive fiscal quarters must be not less than 1.50 to 1.00; (c) the OP's interest coverage ratio must be not less than 3.00 to 1.00; and (d) the OP's ratio of consolidated total debt to consolidated total assets must be not more than 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. Further, we may not make distributions in excess of amounts required to maintain REIT status and may not repurchase shares, among other provisions. 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.

Refer to "COVID-19 Update" below for further discussion regarding the COVID-19 pandemic and its impact on our future operating results, liquidity and financial condition.

Master Repurchase Facilities and CMBS Credit Facilities

Currently, our primary source of financing is our Master Repurchase Facilities, which we use to finance the origination of senior loans, and CMBS Credit Facilities, which we use to finance the purchase of securities. 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.

Refer to "COVID-19 Update" below for further discussion regarding the COVID-19 pandemic and its impact on our future operating results, liquidity and financial condition.

The following table presents a summary of our Master Repurchase, CMBS and Bank Credit Facilities as of March 31, 2020 (dollars in thousands):

	Maximum Facility Size	Current Borrowings	Weighted Average Final Maturity (Years)	Weighted Average Interest Rate
Master Repurchase Facilities				
Bank 1	$ 400,000	$ 109,404	3.1	LIBOR + 1.93%
Bank 2	200,000	22,750	2.5	LIBOR + 2.50%
Bank 3	600,000	222,147	2.1	LIBOR + 2.19%
Bank 7	500,000	199,740	2.1	LIBOR + 1.93%
Bank 8	250,000	168,987	1.2	LIBOR + 2.00%
Bank 9	300,000	—	3.6	—
Total Master Repurchase Facilities	2,250,000	723,028		
CMBS Credit Facilities				
Bank 1	26,384	26,384	(1)	LIBOR + 2.40%
Bank 6	171,007	171,007	(1)	(2)
Bank 3[(3)]	—	—	—	—
Bank 4[(3)]	—	—	—	—
Bank 5[(3)]	—	—	—	—
Total CMBS Credit Facilities	197,391	197,391		
Bank Credit Facility	560,000	340,000	2.8	LIBOR + 2.25%
Total Facilities	$ 3,007,391	$ 1,260,419		

(1) The maturity dates on CMBS Credit Facilities are dependent upon asset type and will typically range from one to three months.
(2) Bank 6 Facilities 1 and 2 both have fixed and floating rate financing. Bank 6 Facility 1 consists of $22.6 million financed with a fixed rate of 4.50% and $63.4 million financed with a weighted average interest rate of LIBOR plus 1.77%. Bank 6 Facility 2 consists of $45.5 million financed with a fixed rate of 4.50% and $39.5 million financed with a weighted average interest rate of LIBOR plus 1.50%.
(3) Amounts can be drawn under the Bank 3, Bank 4, and Bank 5 CMBS Credit Facilities, but we have not yet utilized them.

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.

In October 2019, we executed a securitization transaction through our subsidiaries, CLNC 2019-FL1, which resulted in the sale of $840 million of investment grade notes. The securitization reflects an advance rate of 83.5% at a weighted average cost of funds of LIBOR plus 1.59%, and is collateralized by a pool of 22 senior loans, which we originated.

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.

COVID-19 Update

As of May 7, 2020, we have approximately $255 million cash on hand. During the three months ended March 31, 2020, we prudently drew $226.5 million on our bank facility with $340.0 million outstanding and $29.0 million of availability. While we have significant cash on hand, the COVID-19 pandemic is negatively impacting our liquidity position and outlook, and we expect it will continue to do so over the near-to-medium term.

The most notable impact relates to the financial condition of our borrowers and their ability to make their monthly mortgage payments and remain in compliance with loan covenants and terms. Failure of our borrowers to meet their loan obligations may trigger repayments to our Bank Credit and Master Repurchase Facilities.

Secondly, if our operating real estate lessees are unable to make monthly rent payments, we would be unable to make our monthly mortgage payments which could result in defaults under these obligations or trigger repayments under our Bank Credit Facility. If these events were to occur, we may not have sufficient available cash to repay amounts due.

Given the ongoing impact of the COVID-19 pandemic to the underlying value of our investments, and related uncertainty in our ability to meet certain financial covenants, on May 6, 2020 we amended our Bank Credit Facility to: (i) reduce the minimum tangible net worth covenant requirement from $2.1 billion to $1.5 billion, providing portfolio management flexibilities as a result of any disruptions in investments caused by COVID-19 or other factors; (ii) reduce the facility size from $560.0 million to $450.0 million (noting current borrowings of $299.0 million); (iii) limit dividends in line with taxable income and restrict stock repurchases, each for liquidity preservation purpose; and (iv) focus new investments on senior mortgages.

Additionally, on May 7, 2020 we amended the minimum tangible net worth covenant under all six of our Master Repurchase Facilities consistent with the Bank Credit Facility. For the three months ended March 31, 2020, we received and timely paid a margin call on a hospitality loan and made voluntarily paydowns on two other hospitality and one retail loan. The lender granted us a holiday from future margin calls between three and four months, and we obtained broader discretion to enter into permitted modifications with the borrowers on these three specific loans, if necessary.

For the three months ended March 31, 2020, we received and paid margin calls on our CMBS Credit Facilities of $48.9 million. Subsequent to March 31, 2020, we consolidated our CMBS Credit Facilities borrowings with one existing counterparty bank. In connection with the consolidation, we paid down the CMBS Credit Facilities borrowing advance rate to a blended borrowing advance rate of 62% and extended the repurchase date on all such borrowings to June 30, 2020. This $73.9 million paydown allows for a 15% additional loss on a bond specific basis before further margin calls. As of May 7, 2020, we had $123.5 million outstanding under our CMBS Credit Facilities. The financing bears a fixed interest rate of 4.50%

We are in discussions regarding similar modification agreements with our Master Repurchase Facility lenders. It is uncertain whether we will we reach any agreement due to the limited and temporary holiday and permitted modification periods described above, and the continuing impact of the COVID-19 pandemic. As such, we may receive additional margin calls, experience additional pressures or events of default under our financing agreements that will negatively impact our liquidity position.

We are also re-assessing capital needs in our owned real estate portfolio (both Core and Legacy, Non-Strategic) where we expect to limit any investment of additional capital.

Investment Sales

During the three months ended March 31, 2020 and through May 7, 2020, we sold 12 loans generating net proceeds of $104.7 million. We currently classify 26 owned real estate properties as held for sale with a total net carry value of $227.1 million at March 31, 2020. While we are proceeding with active marketing of these assets, given the COVID-19 pandemic we may be unable to sell these properties in the near to medium-term. Further, any completed sales may result in an investment loss.

Additionally, we are evaluating asset sales from our Core Portfolio. While these sales are expected to generate liquidity, completion of these sales is uncertain and may result in lower than expected proceeds or an investment loss.

Dividend

The COVID-19 pandemic has caused extraordinary volatility and unprecedented market conditions, including actual and unanticipated consequences to us and certain of our investments, which may continue. Having paid monthly dividend payments with respect to our common stock through March 31, 2020, we and the Board of Directors determined it was prudent and in our best interests to conserve available liquidity and suspend our monthly dividend beginning with the monthly period ending April 30, 2020. The Board of Directors will evaluate dividends in future periods based upon customary considerations, including market conditions. Importantly, we continue to monitor its taxable income to ensure that we meet the minimum distribution requirements to maintain its status as a REIT for the annual period ending December 31, 2020.

Cash Flows

The following presents a summary of our consolidated statements of cash flows for the three months ended March 31, 2020 and 2019 (dollars in thousands):

	Three Months Ended March 31,		
Cash flow provided by (used in):	**2020**	**2019**	**Change**
Operating activities	$ 57,204	$ 37,678	$ 19,526
Investing activities	275,363	18,844	256,519
Financing activities	26,524	(46,621)	73,145

Operating Activities

Cash inflows from operating activities are generated primarily through interest received from loans receivable and securities, property operating income from our real estate portfolio, and distributions of earnings received from unconsolidated ventures. This is partially offset by payment of interest expenses for credit facilities and mortgage payable, and operating expenses supporting our various lines of business, including property management and operations, loan servicing and workout of loans in default, investment transaction costs, as well as general administrative costs.

Our operating activities generated net cash inflows of $57.2 million and $37.7 million for the three months ended March 31, 2020 and 2019, respectively. Net cash provided by operating activities increased $19.5 million for the three months ended March 31, 2020 compared to the three months ended March 31, 2019, primarily due to higher net interest income earned on our loan and CRE debt securities portfolio and lower management fees incurred during the three months ended March 31, 2020.

We believe cash flows from operations, available cash balances and our ability to generate cash through short- and long-term borrowings are sufficient to fund our operating liquidity needs.

Investing Activities

Investing activities include cash outlays for acquisition of real estate, disbursements on new and/or existing loans, and contributions to unconsolidated ventures, which are partially offset by repayments and sales of loan receivables, distributions of capital received from unconsolidated ventures, proceeds from sale of real estate, as well as proceeds from maturity or sale of securities.

Investing activities generated net cash inflows of $275.4 million and $18.8 million for the three months ended March 31, 2020 and 2019, respectively. Net cash provided by investing activities in 2020 resulted primarily from proceeds from sale of real estate of $160.8 million, repayment on loan and preferred equity held for investment of $160.1 million, net receipts on settlement of derivative instruments of $19.6 million and distributions in excess of cumulative earnings from unconsolidated ventures of $16.5 million, partially offset by future fundings on our loans and preferred equity held for investment, net of $37.5 million, change in escrow deposits of $25.0 million, investments in unconsolidated ventures of $16.7 million and additions to real estate of $11.3 million.

Net cash provided by investing activities for the three months ended March 31, 2019 resulted primarily from repayment on loans and preferred equity held for investment of $172.7 million, distributions in excess of cumulative earnings from unconsolidated ventures of $65.8 million, proceeds from sale of investments in unconsolidated ventures of $34.5 million and net receipts on settlement of derivative instruments of $1.6 million, partially offset by acquisition, origination and funding of loans and preferred equity held for investment, net of $241.7 million, acquisition of and additions to real estate, related intangibles and leasing commissions of $6.2 million, investment in unconsolidated ventures of $5.2 million and change in escrow deposits of $2.3 million.

Financing Activities

We finance our investing activities largely through borrowings secured by our investments along with capital from third party or affiliated co-investors. We also have the ability to raise capital in the public markets through issuances of common stock, as well as draw upon our corporate credit facility, to finance our investing and operating activities. Accordingly, we incur cash outlays for payments on third party debt, dividends to our common stockholders as well as distributions to our noncontrolling interests.

Financing activities generated net cash inflow of $26.5 million for the three months ended March 31, 2020 compared to net cash outflow of $46.6 million for the three months ended March 31, 2019. Net cash provided by financing activities in 2020 resulted primarily from borrowings from credit facilities in the amount of $250.0 million and borrowings from mortgage notes in the amount of $2.3 million, partially offset by repayment of credit facilities in the amount of $88.8 million, repayment of mortgage notes in the amount of $76.6 million, distributions paid on common stock and noncontrolling interests of $39.5 million and distributions to noncontrolling interests in the amount of $11.0 million.

Net cash used in financing activities for the three months ended March 31, 2019 resulted primarily from repayment of credit facilities in the amount of $695.3 million, distributions paid on common stock in the amount of $57.0 million, repayment of securitization bonds in the amount of $27.7 million, payment of deferred financing costs in the amount of $1.6 million and repayment of mortgage notes in the amount of $1.5 million, partially offset by borrowings from credit facilities in the amount of $714.6 million and borrowings from mortgage notes in the amount of $22.2 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
Bank credit facility[1]	$ 361,837	$ 11,786	$ 350,051	$ —	$ —
Secured debt[2]	2,419,363	810,832	469,409	331,579	807,543
Securitization bonds payable[3]	943,465	30,842	335,433	577,190	—
Ground lease obligations[4]	36,052	3,183	6,380	5,333	21,156
	$ 3,760,717	$ 856,643	$ 1,161,273	$ 914,102	$ 828,699
Lending commitments[5]	270,579				
Total	$ 4,031,296				

(1) Future interest payments were estimated based on the applicable index at March 31, 2020 and unused commitment fee of 0.35% per annum, assuming principal is repaid on the current maturity date of February 2022.
(2) Amounts include minimum principal and interest obligations through the initial maturity date of the collateral assets. Interest on floating rate debt was determined based on the applicable index at March 31, 2020.
(3) 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.
(4) The Company assumed noncancellable operating ground leases as lessee or sublessee in connection with net lease properties acquired through the CLNY 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.
(5) 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, 2020, we were not dependent on the use of any off-balance sheet financing arrangements for liquidity. We have made investments in unconsolidated ventures. Our investments in unconsolidated joint ventures consisted of investments in PE Investments, senior loans, mezzanine loans and preferred equity held in joint ventures, as well as acquisition, development and construction arrangements accounted for as equity method investments. 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.

We have not acquired any investments in 2020 and currently are primarily focused on existing investments and commitments.

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. Under these circumstances, certain assets will require intensified asset management in order to achieve optimal value realization.

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 of our Board of Directors, 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, 2019.

Recent Accounting Updates

For recent accounting updates, 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, capital market risk and foreign currency risk, either directly through the assets held or indirectly through investments in unconsolidated ventures, with each risk heightened as a result of the ongoing and numerous adverse impacts of the COVID-19 pandemic. As stated in the “Impact of COVID-19” section in “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations”, us and our Manager are taking steps to mitigate certain risks associated with COVID-19, provided to the extent to which the COVID-19 pandemic impacts us, our business, our borrowers and our tenants will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the actions taken by us or others to contain the pandemic or mitigate its impact, and the direct and indirect economic efforts of the pandemic and containment measures, among others.

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, 2020, a hypothetical 100 basis point increase in the applicable interest rate benchmark on our loan portfolio would decrease interest income by $12.7 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 held for investment 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 of which may be detrimentally impacted by the COVID-19 pandemic. 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, including business closures, occupancy levels, meeting rent or other expense obligations, lease concessions, among other factors, all of which may be detrimentally impacted by the COVID-19 pandemic. 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.

We are working closely with our borrowers and tenants to address the impact of COVID-19 on their business. Our Manager's in-depth understanding of CRE and real estate-related investments, and in-house underwriting, asset management and resolution capabilities, provides us and management with a sophisticated full-service platform to regularly evaluate our investments and determine primary, secondary or alternative strategies to manage the credit risks described above. This includes intermediate servicing and complex and creative negotiating, restructuring of non-performing investments, foreclosure considerations, intense management or development of owned real estate, in each case to manage the risks faced to achieve value realization events in our interests and our stockholders. Solutions considered due to the impact of the COVID-19 pandemic may include defensive loan or lease modifications, temporary interest or rent deferrals or forbearances, converting current interest payment obligations to payment-in-kind, repurposing reserves and/or covenant waivers. Depending on the nature of the underlying investment and credit risk, we may pursue repositioning strategies through judicious capital investment in order to extract value from the investment or limit losses.

There can be no assurance that the measures taken will be sufficient to address the negative impact the COVID-19 pandemic may have on our future operating results, liquidity and financial condition.

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, including the COVID-19 pandemic, 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 and the solutions oriented process described above.

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.

The COVID-19 pandemic has had a direct and volatile impact on the global markets, including the commercial real estate equity and debt capital markets. The disruption caused by COVID-19 pandemic has led to a negative impact on asset valuations and significant constraints on liquidity in the capital markets, which may lead to restrictions on lending activity, downward pressure on covenant compliance or requirements to post margin or repayments under master repurchase financing arrangements. Our Master Repurchase Facilities are partial recourse and margin call provisions do not permit valuation adjustments based on capital markets events, rather they are limited to collateral-specific credit marks generally determined on a commercially reasonable basis. We have timely met margin calls, primarily under our CMBS Credit Facilities.

We have taken steps to negotiate amendments to our Bank Credit Facility and certain Master Repurchase Facilities, including to adjust certain covenants (such as the tangible net worth covenant), reduce advance rates on certain financed assets, obtain margin call holidays and permitted modification flexibilities, in an effort to mitigate the risk of future compliance issues, including margin calls, under our financing arrangements.

We continue to explore similar solutions with financing counterparties to strengthen our financing arrangements, with the understanding that any existing or future amendments may not be sufficient to fully address the impacts of COVID-19 on our business or financing arrangements.

Foreign Currency Risk

We have foreign currency rate exposures related to our foreign currency-denominated investments held by our foreign subsidiaries. Changes in foreign currency rates can adversely affect the fair values and earning of our non-U.S. holdings. We generally mitigate this foreign currency risk by utilizing currency instruments to hedge our net investments in our foreign subsidiaries. The type of hedging instruments that we employ on our foreign subsidiary investments are forwards.

At March 31, 2020, we had approximately NOK 842.9 million and €159.5 million or a total of $255.9 million, in net investments in our European subsidiaries. A 1.0% change in these foreign currency rates would result in a $2.6 million increase or decrease in translation gain or loss included in other comprehensive income in connection with our European subsidiaries.

A summary of the foreign exchange contracts in place at March 31, 2020, including notional amount and key terms, is included in Note 15, “Derivatives,” to Part I, Item 1, “Financial Statements.” The maturity dates of these instruments approximate the projected dates of related cash flows for specific investments. Termination or maturity of currency hedging instruments may result in an obligation for payment to or from the counterparty to the hedging agreement. We are exposed to credit loss in the event of non-performance by counterparties for these contracts. To manage this risk, we select major international banks and financial institutions as counterparties and perform a quarterly review of the financial health and stability of our trading counterparties. Based on our review at March 31, 2020, we do not expect any counterparty to default on its obligations.

Item 4. Controls and Procedures

Evaluation of 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 ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the 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, 2020, our disclosure controls and procedures were effective at providing reasonable assurance regarding the reliability of 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.

Changes in Internal Control over Financial Reporting

There have been no changes in our 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, our internal control over financial reporting.

We are pleased to report that the state of health and well-being of employees is strong. Our external manager instituted a full remote work policy in early March that will be in effect through June 1, 2020, at the earliest.

Our internal control framework, which includes controls over financial reporting and disclosure, continues to operate effectively. Considering the COVID-19 pandemic, we have supplemented our framework by instituting certain entity level procedures and controls that ensure communication amongst our team that enhances our ability to prevent and detect material errors and/or omissions.

PART II

Item 1. Legal Proceedings

Neither the Company nor our Manager is currently subject to any material legal proceedings. We anticipate that we may from time to time be involved in legal actions arising in the ordinary course of business, the outcome of which we would not expect to have a material adverse effect on our financial position, results of operations or cash flow.

Item 1A. Risk Factors

The novel coronavirus pandemic, measures intended to prevent its spread and government actions to mitigate its economic impact has had and may continue to have a material adverse effect on our business, results of operations and financial condition.

The COVID-19 pandemic is causing significant disruptions to the U.S. and global economies and has contributed to volatility and negative pressure in financial markets. The outbreak has led governments and other authorities around the world to impose measures intended to control its spread, including restrictions on freedom of movement and business operations such as travel bans, border closings, business closures, quarantines and shelter-in-place orders. The actual and potential impact and duration of COVID-19 or another pandemic have and are expected to continue to have significant repercussions across regional, national and global economies and financial markets, and have triggered a period of regional, national and global economic slowdown and may trigger a longer term recession. The impact of the pandemic and measures to prevent its spread have negatively impacted us and could further negatively impact our business. To the extent current conditions persist or worsen, we expect there to be a materially negative effect on the value of our assets and our results of operations, and, in turn, cash available for distribution to our stockholders. Moreover, many risk factors set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2019 should be interpreted as heightened risks as a result of the ongoing and numerous adverse impacts of the COVID-19 pandemic.

Difficulty accessing debt and equity capital on attractive terms, or at all, and severe disruption or instability in the global financial markets or deteriorations in credit and financing conditions may affect our ability to access capital necessary to fund business operations or replace liabilities on a timely basis. This may also adversely affect the valuation of financial assets and liabilities, any of which could result in the inability to make payments under our credit and other borrowing facilities, affect our ability to meet liquidity, net worth, and leverage covenants under such facilities or have a material adverse effect on the value of investments we hold. In addition, the insolvency of one or more of our counterparties could reduce the amount of financing available to us, which would make it more difficult for us to leverage the value of our assets and obtain substitute financing on attractive terms or at all. Recently, we have experienced declines in the value of our target assets, as well as adverse developments with respect to the terms and cost of financing available to us, and have received margin calls, default notices and deficiency letters from certain of our financing counterparties. Any or all of these impacts could result in reduced net investment income and cash flow, as well as an impairment of our investments, which reductions and impairments could be material. Declines in asset values, specifically retail, office and multifamily residential assets, may also impact our ability to liquidate our legacy, non-strategic assets within the projected timeframe or at the projected values.

Additionally, we expect the economic impacts of the pandemic will impact the financial stability of the mortgage loans and mortgage loan borrowers underlying the residential and commercial securities and loans that we own. As a result, we anticipate an increase in the number of borrowers who become delinquent or default on their loans, or who will seek concessions or forbearance. Elevated levels of delinquency or default would have an adverse impact on our income and the value of our assets and may require us to repay amounts under our master repurchase facilities and we can provide no assurance that we will have funds available to make such payments. Any forced sales of loans, securities or other assets that secure our repurchase and other financing arrangements in the current environment would likely be on terms less favorable to us than might otherwise be available in a regularly functioning market and could result in deficiency judgments and other claims against us.

Our loans collateralized by hotels, retail properties and mezzanine loans and preferred equity interests are disproportionately impacted by the effects of COVID-19. In particular, we hold a $189.0 million commitment in a mezzanine loan and preferred equity investment on a development project in Los Angeles County (which includes a hospitality and retail renovation and a new condominium tower construction) for which loan funding was out of balance in April 2020. Although this deficiency has been funded, if there are further overruns or delays in opening or decreased demand for the hospitality or retail space or condominium sales, we may not be able to fund any other deficiencies, which could result in a default under the senior mortgage loan and a foreclosure on all interests subordinate to the senior mortgage loan, including our interest in the mezzanine loan. In addition, our retail borrowers have been materially impacted by shelter-in-place orders, and, for example, nine properties net leased to a national retail chain did not pay April rent, and the default rate in future periods likely will increase.

In response to the pandemic, the U.S. government has taken various actions to support the economy and the continued functioning of the financial markets. The Federal Reserve has announced its commitment to purchase unlimited amounts of U.S. Treasuries, mortgage-backed securities, municipal bonds and other assets. In addition, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which will provide billions of dollars of relief to individuals, businesses, state and

local governments, and the health care system suffering the impact of the pandemic, including mortgage loan forbearance and modification programs to qualifying borrowers who have difficulty making their loan payments. There can be no assurance as to how, in the long term, these and other actions by the U.S. government will affect the efficiency, liquidity and stability of the financial and mortgage markets. To the extent the financial or mortgage markets do not respond favorably to any of these actions, or such actions do not function as intended, our business, results of operations and financial condition may continue to be materially adversely affected. Moreover, certain actions taken by U.S. or other governmental authorities, including the Federal Reserve, that are intended to ameliorate the macroeconomic effects of COVID-19 may harm our business. Decreases in short-term interest rates, such as those announced by the Federal Reserve late in our 2019 fiscal year and during the first fiscal quarter of 2020, may have a negative impact on our results, as we have certain assets and liabilities which are sensitive to changes in interest rates. These market interest rate declines may negatively affect our results of operations. In addition, as interest rates continue to decline as a result of demand for U.S. Treasury securities and the activities of the Federal Reserve, prepayments on our assets are likely to increase due to refinancing activity, which could have a material adverse effect on our result of operations.

The rapid development and fluidity of the circumstances resulting from this pandemic preclude any prediction as to the ultimate adverse impact of COVID-19 on our business. Nevertheless, COVID-19 and the current financial, economic and capital markets environment, and future developments in these and other areas present material uncertainty and risk with respect to our performance, financial condition, results of operations and cash flows.

Our inability to access funding or the terms on which such funding is available could have a material adverse effect on our financial condition, particularly in light of ongoing market dislocations resulting from the COVID-19 pandemic.

Our ability to fund our operations, meet financial obligations and finance target asset acquisitions may be impacted by our ability to secure and maintain our master repurchase agreements with our counterparties. Because repurchase agreements are short-term commitments of capital, lenders may respond to market conditions making it more difficult for us to renew or replace on a continuous basis our maturing short-term borrowings and have and may continue to impose more onerous conditions when rolling such financings. If we are not able to renew our existing facilities or arrange for new financing on terms acceptable to us, or if we default on our covenants or are otherwise unable to access funds under our financing facilities or if we are required to post more collateral or face larger haircuts, we may have to curtail our asset acquisition activities and/or dispose of assets.

Issues related to financing are exacerbated in times of significant dislocation in the financial markets, such as those being experienced now related to the COVID-19 pandemic. It is possible our lenders will become unwilling or unable to provide us with financing and we could be forced to sell our assets at an inopportune time when prices are depressed. In addition, if the regulatory capital requirements imposed on our lenders change, they may be required to significantly increase the cost of the financing that they provide to us. Our lenders also have revised and may continue to revise their eligibility requirements for the types of assets they are willing to finance or the terms of such financings, including haircuts and requiring additional collateral in the form of cash, based on, among other factors, the regulatory environment and their management of actual and perceived risk, particularly with respect to assignee liability. Moreover, the amount of financing we receive under our repurchase agreements will be directly related to our lenders' valuation of our target assets that cover the outstanding borrowings. Typically, repurchase agreements grant the lender the absolute right to reevaluate the fair market value of the assets that cover outstanding borrowings at any time. If a lender determines in its sole discretion that the value of the assets has decreased, it has the right to initiate a margin call. These valuations may be different than the values that we ascribe to these assets and may be influenced by recent asset sales and distressed levels by forced sellers. A margin call requires us to transfer additional assets to a lender without any advance of funds from the lender for such transfer or to repay a portion of the outstanding borrowings. We have experienced this phenomenon in recent weeks.

In recent weeks, we have observed a mark-down of a portion of our mortgage assets by the counterparties to our financing arrangements, resulting in us having to pay cash or securities to satisfy higher than historical levels of margin calls. Significant margin calls could have a material adverse effect on our results of operations, financial condition, business, liquidity and ability to make distributions to our stockholders, and could cause the value of our common stock to decline. In addition, we have also experienced an increase in haircuts on financings we have rolled. As haircuts are increased, we will be required to post additional collateral. We may also be forced to sell assets at significantly depressed prices to meet such margin calls and to maintain adequate liquidity. As a result of the ongoing COVID-19 pandemic, we have experienced margins calls well beyond historical norms. These trends, if continued, will have a negative adverse impact on our liquidity.

In connection with the market disruptions resulting from the COVID-19 pandemic, we changed our interest rate hedging strategy and closed out of, or terminated a portion of our interest rate hedges, incurring realized losses. As a result, interest rate risk exposure that is associated with certain of our assets and liabilities is no longer being hedged in the manner that we previously used to address interest rate risk and our revised strategy to address interest rate risk may not be effective and could result in the incurrence of future realized losses.

In response to the recent market dislocations resulting from the global pandemic of COVID-19, we made the determination that certain of our interest rate hedges were no longer effective in hedging asset market values and, as of March 27, 2020, had terminated or closed out a portion of our outstanding interest rate hedges and, overall, incurred realized losses. While we are monitoring market conditions and determining when we believe it would be appropriate and effective to re-implement interest rate hedging strategies, including by taking into account our future business activities and assets and liabilities, we will be exposed to the impact that changes in benchmark interest rates may have on the value of the loans, securities and other assets we own that are sensitive to interest rate changes, as well as long-term debt obligations that are sensitive to interest rate changes. Moreover, to the extent the value of loans and securities we own fluctuate as a result of changes in benchmark interest rates, we may be exposed to margin calls under lending facilities that we use to finance these assets. In the past, our interest rate hedging strategy was intended to be a source of liquidity in meeting margin calls that resulted from asset valuation changes attributable to changes in benchmark interest rates; however, because we have terminated or closed out a portion of our outstanding interest rate hedges, we will not be able to rely on these hedges as such a source of liquidity. Operating our business and maintaining a portfolio of interest rate sensitive loans, securities and other assets without an interest rate risk hedging program in place could expose us to losses and liquidity risks, which could be material and which could negatively impact our results of operations and financial condition. There can be no assurance that future market conditions and our financial condition in the future will enable us to re-establish an effective interest rate risk hedging program, even if in the future we believe it would otherwise be appropriate or desirable to do so.

We may pay taxable dividends in our common stock and cash, in which case stockholders may sell shares of our common stock to pay tax on such dividends, placing downward pressure on the market price of our common stock.

We generally must distribute annually at least 90% of our REIT taxable income (subject to certain adjustments and excluding any net capital gain), in order to qualify as a REIT, and any REIT taxable income that we do not distribute will be subject to U.S. corporate income tax at regular rates. In April 2020, the Board of Directors of the Company determined it was prudent to conserve available liquidity and suspend the Company's monthly stock dividend beginning with the monthly period ending April 30, 2020. The Board of Directors will evaluate dividends in future periods based upon customary consideration, such as our cash balances, and cash flows and market conditions and could consider paying future dividends in shares of common stock, cash, or a combination of shares of common stock and cash.

On August 11, 2017, the IRS issued Revenue Procedure 2017-45, authorizing elective stock dividends to be made by public REITs. Pursuant to this revenue procedure, effective for distributions declared on or after August 11, 2017, the IRS will treat the distribution of stock pursuant to an elective stock dividend as a distribution of property under Section 301 of the Code (i.e., as a dividend to the extent of our earnings and profits), as long as at least 20% of the total dividend is available in cash and certain other requirements outlined in the revenue procedure are met.

If we make a taxable dividend payable in cash and common stock, taxable stockholders receiving such dividends will be required to include the full amount of the dividend as ordinary income to the extent of our current and accumulated earnings and profits, as determined for U.S. federal income tax purposes. As a result, stockholders may be required to pay income tax with respect to such dividends in excess of the cash dividends received. If a U.S. stockholder sells the common stock that it receives as a dividend in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our common stock at the time of the sale. Furthermore, with respect to certain non-U.S. stockholders, we may be required to withhold U.S. federal income tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in common stock. If we make a taxable dividend payable in cash and our common stock and a significant number of our stockholders determine to sell shares of our common stock in order to pay taxes owed on dividends, it may put downward pressure on the trading price of our common stock.

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

There were no sales of unregistered securities of our Company during the three months ended March 31, 2020, other than those previously disclosed in filings with the SEC.

Purchases of Equity Securities by Issuer

The Company did not purchase any of its Class A common stock during the three months ended March 31, 2020.

The Company's Board of Directors authorized a stock repurchase program (the "Stock Repurchase Program"), under which the Company could repurchase up to $300.0 million of its outstanding Class A common stock until March 31, 2020. On February 18,

2020, the Company's Board of Directors voted to extend the Stock Repurchase Program through March 31, 2021. 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.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Bank Credit Facility - Third Amendment to Credit Agreement

On May 6, 2020, the Operating Partnership entered into the Third Amendment and Waiver (the "Amendment") to that certain Credit Agreement, dated as of February 1, 2018 (as amended, supplemented or otherwise modified from time to time prior to the date hereof, including pursuant to the First Amendment, dated as of November 19, 2018, and the Second Amendment, dated as of December 17, 2018, the "Credit Agreement"), with JPMorgan Chase Bank, N.A., as administrative agent, and the several lenders from time to time party thereto (the "Lenders"). As set forth in further detail below and the Amendment, the Amendment (i) reduces the consolidated tangible net worth covenant from $2.105 billion to $1.5 billion, subject to certain adjustments, (ii) places an incremental limitation on determining maximum borrowing base availability, (iii) reduces the aggregate amount of revolving commitments available under the Credit Agreement from $560 million to $450 million, (iv) removes the Operating Partnership's option to increase the revolving commitments under the Credit Agreement, and (v) imposes certain other restricted payment and investment limitations.

The Amendment provides that the revolving commitments available under the Credit Agreement shall be reduced upon the consolidated tangible net worth of the Operating Partnership and its consolidated subsidiaries falling below certain thresholds. The Amendment reduces the consolidated tangible net worth covenant from (A) the sum of (i) $2,105,000,000 and (ii) 50% of the proceeds received by Operating Partnership 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 Operating Partnership, excluding any such proceeds that are contributed to the Operating Partnership within ninety (90) days of receipt and applied to acquire capital stock of the Operating Partnership to (B) the sum of (i) $1,500,000,000 and (ii) 75% of the proceeds received by the Operating Partnership after the Amendment 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 Operating Partnership, excluding any such proceeds that are contributed to the Operating Partnership within 90 days of receipt and applied to acquire capital stock of the Operating Partnership.

The maximum amount available for borrowing under the Credit Agreement at any time is limited by a borrowing base of certain investment assets, with the valuation of such investment assets generally determined according to a percentage of adjusted net book value. Pursuant to the Amendment, the borrowing base availability is reduced from 100% to 90%. If the Operating Partnership elects to extend the initial maturity date beyond February 1, 2022, the borrowing base availability is further reduced to 80%.

Additionally, the Amendment further limits the Operating Partnership's ability to make restricted payments and certain investments, provided the Operating Partnership and its subsidiaries are permitted to make new investments in senior mortgages that are otherwise customarily eligible for issuance through collateralized loan obligation securitizations to support such collateralized loan obligation securitizations.

No other material terms of the Credit Agreement were changed.

The foregoing summary does not purport to be a complete description and is qualified in its entirety by reference to (i) the Amendment, which is filed as an exhibit to this Form 10-Q, and (ii) the Credit Agreement, as amended, which is filed as exhibits 10.2, 10.3 and 10.4 to the Company's Annual Report on Form 10-K for the year ended December 31, 2019.

Master Repurchase Facility - Citibank, N.A. - Amendment to Guaranty - Tangible Net Worth Covenant

On April 23, 2018, NSREIT CB Loan, LLC, CB Loan NT-II, LLC, CLNC Credit 3, LLC, and CLNC Credit 4, LLC (collectively, "CB Seller"), each an indirect subsidiary of the Company, entered into a Master Repurchase Agreement (the "Citi Repurchase Agreement") with Citibank, N.A. ("Citibank"). The Citi Repurchase Agreement provides up to $400.0 million to finance first mortgage loans, senior loan participations and other commercial mortgage loan debt instruments secured by commercial real estate, as described in more detail in the Citi Repurchase Agreement and related ancillary documents.

In connection with the Citi Repurchase Agreement, the Operating Partnership, as guarantor, entered into a Guaranty with Citibank (the "Citi Guaranty"), under which the Operating Partnership agreed to a partial recourse guaranty of CB Seller's payment and performance obligations under the Citi Repurchase Agreement.

On May 7, 2020, the Operating Partnership and Citibank entered into a First Amendment to Guaranty (the "Citi Guaranty Amendment"), under which Citibank agreed to reduce the minimum consolidated tangible net worth of the Operating Partnership from $2.105 billion to $1.5 billion, plus 75% of the net cash proceeds of any equity issuance thereafter received by the Operating Partnership. The adjusted tangible net worth threshold provides for portfolio management flexibilities as a result of any disruptions in investments caused by COVID-19 or other factors.

The foregoing summary does not purport to be a complete description and is qualified in its entirety by reference to (i) the Citi Guaranty Amendment, which is filed as an exhibit to this Form 10-Q, and (ii) the Citi Repurchase Agreement and the Citi Guaranty, which are filed as exhibits to the Company's Current Report on Form 8-K filed on April 25, 2018.

Master Repurchase Facility - Barclays Bank PLC - Amendment to Guaranty - Tangible Net Worth Covenant

On April 26, 2018, CLNC Credit 7, LLC ("BB Seller"), an indirect subsidiary of the Company, entered into a Master Repurchase Agreement (the "BB Repurchase Agreement") with Barclays Bank PLC ("Barclays"). The BB Repurchase Agreement provides up to $500.0 million to finance first mortgage loans, mezzanine loans, senior loan participations and other commercial mortgage loan debt instruments secured by commercial real estate, as described in more detail in the BB Repurchase Agreement and related ancillary documents.

In connection with the BB Repurchase Agreement, the Operating Partnership, as guarantor, entered into a Guaranty with Barclays (the "BB Guaranty"), under which the Operating Partnership agreed to a partial recourse guaranty of BB Seller's payment and performance obligations under the BB Repurchase Agreement.

On May 7, 2020, the Operating Partnership and Barclays entered into an Amendment to Guaranty (the "BB Guaranty Amendment"), under which Barclays agreed to reduce the minimum consolidated tangible net worth of the Operating Partnership from $2.105 billion to $1.5 billion, plus 75% of the net cash proceeds of any equity issuance thereafter received by the Operating Partnership. The adjusted tangible net worth threshold provides for portfolio management flexibilities as a result of any disruptions in investments caused by COVID-19 or other factors.

The foregoing summary does not purport to be a complete description and is qualified in its entirety by reference to (i) the BB Guaranty Amendment, which is filed as an exhibit to this Form 10-Q, and (ii) the BB Repurchase Agreement and the BB Guaranty, which are filed as exhibits to the Company's Current Report on Form 8-K filed on May 2, 2018.

Master Repurchase Facility - Goldman Sachs Bank USA - Amendment to Guaranty - Tangible Net Worth Covenant

On June 19, 2018, CLNC Credit 6, LLC ("GS Seller"), an indirect subsidiary of the Company, entered into a Master Repurchase Agreement (the "GS Repurchase Agreement") with Goldman Sachs Bank USA ("Goldman Sachs"). The GS Repurchase Agreement provides up to $250.0 million to finance first mortgage loans, mezzanine loans, senior loan participations and other commercial mortgage loan debt instruments secured by commercial real estate, as described in more detail in the GS Repurchase Agreement and related ancillary documents.

In connection with the GS Repurchase Agreement, the Operating Partnership, as guarantor, entered into a Guaranty with Goldman Sachs (the "GS Guaranty"), under which the Operating Partnership agreed to a partial recourse guaranty of GS Seller's payment and performance obligations under the GS Repurchase Agreement.

On May 7, 2020, the Operating Partnership and Goldman Sachs entered into an Amendment to Guaranty (the "GS Guaranty Amendment"), under which Goldman Sachs agreed to reduce the minimum consolidated tangible net worth of the Operating Partnership from $2.105 billion to $1.5 billion, plus 75% of the net cash proceeds of any equity issuance thereafter received by the Operating Partnership. The adjusted tangible net worth threshold provides for portfolio management flexibilities as a result of any disruptions in investments caused by COVID-19 or other factors.

The foregoing summary does not purport to be a complete description and is qualified in its entirety by reference to (i) the GS Guaranty Amendment, which is filed as an exhibit to this Form 10-Q, and (ii) the GS Repurchase Agreement and the GS Guaranty, which are filed as exhibits to the Company's Current Report on Form 8-K filed on June 25, 2018.

Master Repurchase Facility - Deutsche Bank AG - Amendment to Guaranty - Tangible Net Worth Covenant

On October 23, 2018, DB Loan NT-II, LLC, and CLNC Credit 5, LLC (collectively, "DB Seller"), each an indirect subsidiary of the Company, entered into a Master Repurchase Agreement (the "DB Repurchase Agreement") with Deutsche Bank AG, Cayman Islands Branch ("DB"). The DB Repurchase Agreement provides up to $200.0 million to finance first mortgage loans, senior loan

participations and other commercial mortgage loan debt instruments secured by commercial real estate, as described in more detail in the DB Repurchase Agreement and related ancillary documents.

In connection with the DB Repurchase Agreement, the Operating Partnership, as guarantor, entered into a Guaranty with DB (the "DB Guaranty"), under which the Operating Partnership agreed to a partial recourse guaranty of DB Seller's payment and performance obligations under the DB Repurchase Agreement.

On May 7, 2020, the Operating Partnership and DB entered into an Amendment to Guaranty (the "DB Guaranty Amendment"), under which DB agreed to reduce the minimum consolidated tangible net worth of the Operating Partnership from $2.105 billion to $1.5 billion, plus 75% of the net cash proceeds of any equity issuance thereafter received by the Operating Partnership. The adjusted tangible net worth threshold provides for portfolio management flexibilities as a result of any disruptions in investments caused by COVID-19 or other factors.

The foregoing summary does not purport to be a complete description and is qualified in its entirety by reference to (i) the DB Guaranty Amendment, which is filed as an exhibit to this Form 10-Q, and (ii) the DB Repurchase Agreement and the DB Guaranty, which are filed as exhibits to the Company's Current Report on Form 8-K filed on October 25, 2018.

Master Repurchase Facility - Wells Fargo Bank, National Association - Amendment to Guarantee Agreement - Tangible Net Worth Covenant

On November 2, 2018, CLNC Credit 8, LLC ("WLS Seller"), an indirect subsidiary of the Company, entered into a Master Repurchase and Securities Contract (the "WLS Repurchase Agreement") with Wells Fargo Bank, National Association ("Wells"). The WLS 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, as described in more detail in the WLS Repurchase Agreement and related ancillary documents.

In connection with the WLS Repurchase Agreement, the Operating Partnership, as guarantor, entered into a Guarantee Agreement with Wells (the "WLS Guarantee"), under which the Operating Partnership agreed to a partial recourse guaranty of WLS Seller's payment and performance obligations under the WLS Repurchase Agreement.

On May 7, 2020, the Operating Partnership and Wells entered into an Amendment to Guarantee Agreement (the "WLS Guarantee Amendment"), under which Wells agreed to reduce the minimum consolidated tangible net worth of the Operating Partnership from $2.105 billion to $1.5 billion, plus 75% of the net cash proceeds of any equity issuance thereafter received by the Operating Partnership. The adjusted tangible net worth threshold provides for portfolio management flexibilities as a result of any disruptions in investments caused by COVID-19 or other factors.

The foregoing summary does not purport to be a complete description and is qualified in its entirety by reference to (i) the WLS Guarantee Amendment, which is filed as an exhibit to this Form 10-Q, and (ii) the WLS Repurchase Agreement and the WLS Guarantee, which are filed as exhibits to the Company's Current Report on Form 8-K filed on October 25, 2018.

Master Repurchase Facility - Morgan Stanley Bank, N.A. - Omnibus Amendment to Transaction Documents - Tangible Net Worth Covenant

On April 23, 2019, MS Loan NT-I, LLC, MS Loan NT-II, LLC, CLNC Credit 1, LLC, CLNC Credit 2, LLC, CLNC Credit 1EU, LLC and CLNC Credit 1UK, LLC (collectively, "MS Seller"), each an indirect subsidiary of the Company, entered into a Second Amended and Restated Master Repurchase and Securities Contract Agreement (the "MS Repurchase Agreement") with Morgan Stanley Bank, N.A. ("Morgan Stanley"). As described in more detail in the Repurchase Agreement documentation, the Repurchase Agreement provides up to $600.0 million to finance first mortgage loans, senior loan participations and other commercial mortgage loan debt instruments secured by commercial real estate: $500 million for commercial real estate that may be located in the United States, and $100 million for commercial real estate that may be located in Belgium, France, Germany, Ireland, Luxembourg, the Netherlands, the United Kingdom, Spain, or any other jurisdiction approved by Morgan Stanley. The transactions contemplated under the Repurchase Agreement may be denominated in U.S. Dollars, Pounds Sterling, Euro or any other currency approved by Morgan Stanley.

In connection with the MS Repurchase Agreement, the Operating Partnership, as guarantor, MS Seller and Morgan Stanley entered into a Ratification, Reaffirmation and Confirmation of Transaction Documents (the "MS Ratification Agreement"), which ratified the Operating Partnership's obligations under an Amended and Restated Guaranty Agreement with Morgan Stanley (the "MS Guaranty"), under which the Operating Partnership agreed to a partial recourse guaranty of MS Seller's payment and performance obligations under the MS Repurchase Agreement.

On May 7, 2020, the Operating Partnership and Morgan Stanley entered into an Omnibus Amendment to Transaction Documents (the "MS TNW Amendment"), under which Morgan Stanley agreed to reduce the minimum consolidated tangible net worth of the Operating Partnership from $2.105 billion to $1.5 billion, plus 75% of the net cash proceeds of any equity issuance thereafter

received by the Operating Partnership. The adjusted tangible net worth threshold provides for portfolio management flexibilities as a result of any disruptions in investments caused by COVID-19 or other factors.

The foregoing summary does not purport to be a complete description and is qualified in its entirety by reference to (i) the MS TNW Amendment, which is filed as an exhibit to this Form 10-Q, (ii) the MS Repurchase Agreement and MS Ratification Agreement, which are filed as exhibits to the Company's Current Report on Form 8-K filed on April 26, 2019, and (iii) the MS Guaranty, which is filed as an exhibit to the Company's Current Report on Form 8-K filed on April 25, 2018.

Item 6. Exhibits

EXHIBIT INDEX

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., as amended (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q (No. 001-38377) filed on August 09, 2018)
3.2	Third Amended and Restated Bylaws of Colony 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 April 16, 2020)
10.1*	First Omnibus Amendment, dated as of February 14, 2020, to the Second Amended and Restated Master Repurchase and Securities Contract Agreement, dated as of April 23, 2019, by and among MS Loan NT-I, LLC, MS Loan NT-II, LLC, CLNC Credit 1, LLC, CLNC Credit 2, LLC, CLNC Credit 1EU, LLC, CLNC Credit 1UK, LLC and Morgan Stanley Bank, N.A.
10.2*	Third Amendment and Waiver, dated as of May 6, 2020, to Credit Agreement, dated as of February 1, 2018, among Credit RE Operating Company, LLC, the several lenders from time to time parties thereto and JPMorgan Chase Bank, N.A., as administrative agent
10.3*	First Amendment to Guaranty, dated as of May 7, 2020, by Credit RE Operating Company, LLC for the benefit of Citibank, N.A.
10.4*	Amendment to Guaranty, dated as of May 7, 2020, by Credit RE Operating Company, LLC for the benefit of Barclays Bank PLC
10.5*	Amendment to Guaranty, dated as of May 7, 2020, by Credit RE Operating Company, LLC for the benefit of Goldman Sachs Bank
10.6*	Amendment to Guaranty, dated as of May 7, 2020, by Credit RE Operating Company, LLC for the benefit of Deutsche Bank AG, Cayman Islands Branch
10.7*	Amendment to Guarantee Agreement, dated as of May 7, 2020, by Credit RE Operating Company, LLC for the benefit of Wells Fargo Bank, National Association
10.8*	Third Omnibus Amendment to Transaction Documents, dated as of May 7, 2020, by and between Credit RE Operating Company, LLC and Morgan Stanley Bank, N.A.
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.INS*	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith

SIGNATURES

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

Dated: May 8, 2020

COLONY CREDIT REAL ESTATE, INC.

By: /s/ Michael J. Mazzei

Michael J. Mazzei
Chief Executive Officer and President
(Principal Executive Officer)

By: /s/ Neale W. Redington

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

By: /s/ Frank V. Saracino

Frank V. Saracino
Chief Accounting Officer (Principal Accounting Officer)

Exhibit 10.1

FIRST OMNIBUS AMENDMENT

THIS FIRST OMNIBUS AMENDMENT (this "Amendment"), dated as of February 14, 2020, by and between MORGAN STANLEY BANK, N.A. ("Buyer"), MS LOAN NT-I, LLC, ("NT-I") MS LOAN NT-II, LLC, ("NT-II") CLNC CREDIT 1, LLC, ("Credit 1") CLNC CREDIT 2, LLC, ("Credit 2") CLNC CREDIT 1UK, LLC ("Credit 1UK") and CLNC CREDIT 1EU, LLC ("Credit 1EU", together with NT-I, NT-II, Credit 1, Credit 2 and Credit 1UK, collectively, "Seller"), CREDIT RE OPERATING COMPANY, LLC ("Guarantor") amends (i) that certain Second Amended and Restated Master Repurchase and Securities Contract Agreement, dated April 23, 2019, by and between Buyer and Seller (as the same has been or may be further amended, modified and/or restated from time to time, the "Repurchase Agreement"), (ii) that certain Second Amended and Restated Fee Letter, dated April 23, 2019, by and between Buyer and Seller (as the same has been or may be further amended, modified and/or restated from time to time, the "Fee Letter") and (iii) the other Transaction Documents as provided herein.

RECITALS

WHEREAS, the parties hereto desire to make certain amendments to the Repurchase Agreement, the Fee Letter and the other Transaction Documents as provided herein.

NOW, THEREFORE, for good and valuable consideration, the parties hereto agree as follows:

1. Amendment to the Repurchase Agreement.

(a) The definition of "Facility Termination Date" in Section 2 of the Repurchase Agreement is hereby amended and restated in its entirety as follows:

"Facility Termination Date" shall mean April 20, 2020, as the same may be extended in accordance with Section 9(a) of this Agreement.

(b) The definition of "Annual Fee" in Section 2 of the Repurchase Agreement is hereby deleted in its entirety.

(c) Section 3(r) of the Repurchase Agreement is hereby amended and restated in its entirety as follows:

"If any of the events described in Section 3(k), Section 3(n), Section 3(o) or Section 3(p) result in Buyer's election to use the LIBOR Alternate Rate or EURIBOR Alternate Rate, or Buyer's request for additional amounts, then Seller shall have the option to notify Buyer in writing of its intent to terminate all of the Transactions, terminate this Agreement and repurchase all of the Purchased Assets without payment of any Exit Fee, Unused Fee or similar fee no later than five (5) Business Days after such notice is given to Buyer, and such repurchase by Seller shall be conducted pursuant to and in accordance with Section 3(h). The election by Seller to terminate the Transactions in accordance with this Section 3(r) shall not relieve Seller for liability with respect to any additional amounts or increased costs actually incurred by Buyer prior to the actual repurchase of the Purchased Assets."

(d) Section 9(a) of the Repurchase Agreement is hereby amended and restated in its entirety as follows:

"Seller shall have two successive options to extend the then current Facility Termination Date for a one (1) year period (each, an "Extension Term") by written notice delivered to Buyer (i) with respect to the first such Extension, no later than thirty (30) days before April 20, 2020, and (ii) with respect to the second Extension, no later than thirty (30) days before April 20, 2021. Each such Extension Term shall be automatically effective without any further action by Buyer so long as (x) no Event of Default shall exist on the then current Facility Termination Date and (y) Seller shall have paid the Extension Fee to Buyer on or before the then current Facility Termination Date. Thereafter, no earlier than ninety (90) days and no later than thirty (30) days before the then applicable Facility Termination Date, Seller may annually request an extension of the then current Facility Termination Date for an additional Extension Term. Such requests may be approved or denied in Buyer's sole discretion (on the same terms or such different terms as may be determined by Buyer at such time in its sole discretion), and in any case shall be approved only if (1) no Default, Event of Default or Margin Deficit shall exist on the date of Seller's request to extend or on the then current Facility Termination Date, (1) all representations and warranties in this Agreement shall be true, correct, complete and accurate in all material respects as of the date of Seller's request to extend and as of the then current Facility Termination Date (except such representations which by their terms speak as of a specified date and subject to any exceptions disclosed to Buyer in an Exception Report prior to such date and approved by Buyer), and (1) Seller shall have paid the Extension Fee to Buyer in accordance with the Fee Letter."

2. Amendment to the Fee Letter.

(a) The definition of "Annual Fee" in Section 1 of the Fee Letter is hereby deleted in its entirety.

(b) Section 3 of the Fee Letter is hereby amended and restated in its entirety as follows:

"[Intentionally omitted.]"

3. Defined Terms. Capitalized terms used but not defined herein shall have the meanings set forth in the Repurchase Agreement.

4. Ratification and Authority.

(a) Seller hereby represents and warrants that (i) Seller has the power and authority to enter into this Amendment and to perform its obligations under the Repurchase Agreement as amended hereby, the Fee Letter as amended hereby, and the other Transaction Documents, (ii) Seller has by proper action duly authorized the execution and delivery of this Amendment and (iii) this Amendment has been duly executed and delivered by Seller and constitutes Seller's legal, valid and binding obligations, enforceable in accordance

with its terms, subject to bankruptcy, insolvency and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(b) Seller hereby (i) unconditionally ratifies and confirms, renews and reaffirms all of its obligations under the Repurchase Agreement, the Fee Letter and each of the other Transaction Documents, (ii) acknowledges and agrees that such obligations remain in full force and effect, binding on and enforceable against it in accordance with the terms of the Repurchase Agreement as amended hereby, the Fee Letter as amended hereby and the other Transaction Documents, in each case, subject to bankruptcy, insolvency and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles and (iii) represents, warrants and covenants that it is not in default under the Repurchase Agreement or any of the other Transaction Documents beyond any applicable notice and cure periods, and there are no defenses, offsets or counterclaims against Seller's obligations under the Repurchase Agreement or the other Transaction Documents.

(c) Guarantor, by its signature below, hereby (i) unconditionally approves and consents to the execution by Seller of this Amendment and the modifications to the Transaction Documents effected thereby, (ii) unconditionally ratifies, confirms, renews, and reaffirms all of its obligations under the Guaranty, (iii) acknowledges and agrees that its obligations under the Guaranty remain in full force and effect, binding on and enforceable against it in accordance with its terms subject to bankruptcy, insolvency and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles and (iv) represents, warrants and covenants that it is not in default under the Guaranty beyond any applicable notice and cure periods, and there are no defenses, offsets or counterclaims against its obligations under the Guaranty. Guarantor hereby represents and warrants that it has the power and authority to enter into this Amendment and has by proper action duly authorized the execution and delivery of this Amendment by Guarantor.

5. Continuing Effect. Except as expressly amended by this Amendment, the Repurchase Agreement, the Fee Letter, the Guaranty and the other Transaction Documents remain in full force and effect in accordance with their respective terms.

6. References to Transaction Documents. All references to the Repurchase Agreement and the Fee Letter in any Transaction Document, or in any other document executed or delivered in connection therewith shall, from and after the execution and delivery of this Amendment, be deemed a reference to the Repurchase Agreement and the Fee Letter, each as amended hereby, unless the context expressly requires otherwise.

7. Governing Law. This Amendment shall be governed by and construed and interpreted in accordance with the laws of the State of New York.

8. Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which 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.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered in their names as of the date first above written.

BUYER:

MORGAN STANLEY BANK, N.A.,
a national banking association

By: /s/ Christopher Schmidt
Name: Christopher Schmidt
Title: Authorized Signatory

[Signatures continue on the next page]

SELLER:

MS LOAN NT-I, LLC, a Delaware limited liability company

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

MS LOAN NT-II, LLC, a Delaware limited liability company

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

CLNC CREDIT 1, LLC, a Delaware limited liability company

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

CLNC CREDIT 2, LLC, a Delaware limited liability company

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

CLNC CREDIT 1UK, LLC, a Delaware limited liability company

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

CLNC CREDIT 1EU, LLC, a Delaware limited liability company

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

GUARANTOR:

CREDIT RE OPERATING COMPANY, LLC, a Delaware limited liability company

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

THIRD AMENDMENT AND WAIVER

This Third Amendment and Waiver, dated as of May 6, 2020 (this "Amendment"), to the Credit Agreement dated as of February 1, 2018 (as amended, supplemented or otherwise modified from time to time prior to the date hereof, including by the First Amendment, dated as of November 19, 2018, and the Second Amendment, dated as of December 17, 2018, the "Credit Agreement"), among CREDIT RE OPERATING COMPANY, LLC (the "Parent Borrower"), the Subsidiary Borrowers from time to time party thereto, the several banks and other financial institutions or entities from time to time parties thereto (the "Lenders") and JPMORGAN CHASE BANK, N.A., as administrative agent (in such capacity, the "Administrative Agent").

W I T N E S S E T H:

WHEREAS, the Parent Borrower, the Lenders and the Administrative Agent are parties to the Credit Agreement, and the Parent Borrower has requested that the Credit Agreement be amended as set forth herein;

WHEREAS, as permitted by Section 10.1 of the Credit Agreement, the Administrative Agent and each Lender is willing to agree to this Amendment upon the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises contained herein, the parties hereto agree as follows:

SECTION 1. Defined Terms. Unless otherwise defined herein, capitalized terms are used herein as defined in the Credit Agreement as amended hereby.

SECTION 2. Amendments to the Credit Agreement. Subject to the satisfaction of the conditions set forth in Section 3:

(a) the Credit Agreement is hereby amended in accordance with Exhibit A hereto by deleting the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and by inserting the double-underlined text (indicated textually in the same manner as the following example: double-underlined text), in each case in the place where such text appears therein.

(b) Schedule 6.16(b) is hereby added to the Credit Agreement in the form attached hereto as Exhibit B.

(c) Schedule 7.7(f) is hereby added to the Credit Agreement in the form attached hereto as Exhibit C.

SECTION 3. Waivers. In reliance on the representations, warranties and agreements set forth in this Amendment, and subject to the terms and conditions in this Section 3 and in Section 4, to the extent any Default or Event of Default may have occurred (i) under Section 8(b) of the Credit Agreement, solely as a result of including single Investment Assets that were Non-Performing Loans in the calculation of the Maximum Permitted Outstanding Amount as set forth in any certificate delivered pursuant to Section 6.1(d) of the Credit Agreement (the "Waived MPOA Default") solely with respect to the period on or after the Closing Date and prior to the Third Amendment Effective Date (the "MPOA Waiver Period"), (ii) under Section 8(a) of the Credit Agreement, solely as a result of the failure by the Borrowers to make mandatory prepayments, which would have been required pursuant to Section 2.6(a) of the Credit

Agreement had the Maximum Permitted Outstanding Amount been calculated without giving effect to the Waived MPOA Default (the "Waived Prepayment Default") solely during the MPOA Waiver Period and (iii) under Section 8(c) of the Credit Agreement, solely as a result of a failure to comply with Section 7.1(d) of the Credit Agreement (the "Waived CTNW Default") solely with respect to the period on or after March 31, 2020 and prior to the Third Amendment Effective Date (the "CTNW Waiver Period"), the Lenders party hereto (who, for the avoidance of doubt, constitute Required Lenders) hereby agree to waive such Default or Event of Default; provided that, solely with respect to the CTNW Default, Consolidated Tangible Net Worth was not less than $1,500,000,000 at any time during the CTNW Waiver Period. This Amendment shall not constitute a waiver of any Default or Event of Default that has occurred and is continuing, or any rights or remedies of the Administrative Agent or the Lenders under the Loan Documents in connection therewith, except as expressly stated in in this Section 3 with respect to the Waived MPOA Default and the Waived Prepayment Default, in each case during the MPOA Waiver Period, and the Waived CTNW Default during the CTNW Waiver Period.

SECTION 4. Conditions to Effectiveness of this Amendment. This Amendment shall become effective on the date on which the following conditions precedent have been satisfied or waived (the date on which such conditions shall have been so satisfied or waived, the "Third Amendment Effective Date"):

(a) The Administrative Agent shall have received a counterpart of this Amendment, executed and delivered by a duly authorized officer of the Parent Borrower and each Lender party hereto (who, for the avoidance of doubt, constitute Required Lenders).

(b) The Administrative Agent shall have received all fees required to be paid, and all expenses for which invoices have been presented (including the reasonable and documented out-of-pocket fees and expenses of legal counsel), on or before the Third Amendment Effective Date.

(c) The Administrative Agent shall have received (i) a certificate of the Parent Borrower, dated the date hereof, substantially in the form of Exhibit C to the Credit Agreement, with appropriate insertions and attachments, including the certificate of incorporation of the Parent Borrower certified by the relevant authority of the jurisdiction of organization of the Parent Borrower or a certification that such documents have not been amended since such documents were previously delivered to the Administrative Agent and (ii) a long-form good standing certificate for the Parent Borrower from the applicable jurisdiction of organization.

(d) (i) Immediately after giving effect to this Amendment, no Default or Event of Default shall have occurred and be continuing and (ii) immediately after giving effect to this Amendment, each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct in all material respects on and as of such date as if made on and as of such date (except that any representations and warranties which expressly relate to an earlier date shall be true and correct in all material respects as of such earlier date).

(e) The Administrative Agent shall have received a certificate signed by a duly authorized officer of the Parent Borrower certifying that the conditions specified in clause (d) of this Section 3 have been satisfied as of the Third Amendment Effective Date.

(f) The Borrowers shall make any prepayment of Loans required pursuant to Section 2.6(a) of the Credit Agreement as a result of this Amendment.

SECTION 5. Representations and Warranties. On and as of the date hereof, the Parent Borrower hereby confirms, reaffirms and restates that, after giving effect to this Amendment (i) each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents are true

and correct in all material respects (or, in the case of such representations and warranties are qualified by materiality, in all respects) on and as of the date hereof as if made on and as of such date (except that any representations and warranties which expressly relate to an earlier date shall be true and correct in all material respects (or, in the case of such representations and warranties are qualified by materiality, in all respects) as of such earlier date) and (ii) no Default or Event of Default shall have occurred or be continuing on the date hereof.

SECTION 6. Continuing Effect; No Other Amendments or Consents.

(a) Except as expressly provided herein, all of the terms and provisions of the Credit Agreement are and shall remain in full force and effect. The amendments provided for herein are limited to the specific subsections of the Credit Agreement specified herein and shall not constitute a consent, waiver or amendment of, or an indication of the Administrative Agent's or the Lenders' willingness to consent to any action requiring consent under any other provisions of the Credit Agreement or the same subsection for any other date or time period. Upon the effectiveness of the amendments set forth herein, on and after the Third Amendment Effective Date, each reference in the Credit Agreement to "this Agreement," "the Agreement," "hereunder," "hereof" or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to "Credit Agreement," "thereunder," "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as amended hereby.

(b) The Parent Borrower and the other parties hereto acknowledge and agree that this Amendment shall constitute a Loan Document.

SECTION 7. Expenses. The Parent Borrower agrees to pay and reimburse the Administrative Agent for all its reasonable and documented out-of-pocket costs and expenses incurred in connection with the preparation and delivery of this Amendment, and any other documents prepared in connection herewith and the transactions contemplated hereby, including, without limitation, the reasonable and documented out-of-pocket fees and disbursements of one counsel to the Administrative Agent in accordance with the terms in the Credit Agreement.

SECTION 8. Counterparts. This Amendment may be executed in any number of counterparts by the parties hereto (including by facsimile and electronic (e.g. ".pdf", or ".tif") transmission), each of which counterparts when so executed shall be an original, but all the counterparts shall together constitute one and the same instrument.

SECTION 9. Successors and Assigns. The provisions of this Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Each party hereto acknowledges and agrees that its submission of a signature page to this Amendment is irrevocable and binding on such party and its respective successors and assigns even if such signature page is submitted prior to the effectiveness of any amendment contained herein.

SECTION 10. GOVERNING LAW. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

[Remainder of page intentionally left blank.]

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

CREDIT RE OPERATING COMPANY, LLC

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

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent and as a Lender

By: /s/ Diego E Nunes
Name: Diego E Nunes
Title: Executive Director

BANK OF AMERICA, N.A., as a Lender

By: /s/ Dennis Kwan
Name: Dennis Kwan
Title: Senior Vice President

MORGAN STANLEY SENIOR FUNDING, INC., as a Lender

By: /s/ David White
Name: David White
Title: Authorized Signatory

Goldman Sachs Bank USA, as a Lender

By: /s/ Jamie Minieri
Name: Jamie Minieri
Title: Authorized Signatory

BARCLAYS BANK PLC, as a Lender

By: /s/ Sean Duggan
Name: Sean Duggan
Title: Vice President

Exhibit A

AMENDED CREDIT AGREEMENT

[See attached]

EXECUTION VERSION

EXHIBIT A

~~$560,000,000~~

~~(comprised of $560,000,000 of Multicurrency Commitments and~~
~~$0 of Dollar Commitments)~~

CREDIT AGREEMENT

as amended to reflect the First Amendment, dated as of November 19, 2018,
~~and~~ the Second Amendment, dated as of December 17, 2018,
and the Third Amendment, dated as of May 6, 2020
among

CREDIT RE OPERATING COMPANY, LLC,

as Parent Borrower,

The Other Subsidiary Borrowers from Time to Time Parties Hereto,

The Several Lenders from Time to Time Parties Hereto,

and

JPMORGAN CHASE BANK, N.A.,

as Administrative Agent

Dated as of February 1, 2018

JPMORGAN CHASE BANK, N.A.,
BARCLAYS BANK PLC and
~~MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,~~
BOFA SECURITIES, INC.,

as Joint Lead Arrangers and Joint Bookrunners

BARCLAYS BANK PLC and BANK OF AMERICA, N.A.,
as Syndication Agents

TABLE OF CONTENTS

Page

SCHEDULES:

1.1A Commitments
1.1B Brokers
4.19 UCC Filing Jurisdictions
6.16 Post-Closing Obligations
7.2(d) Existing Indebtedness
7.3(f) Existing Liens
7.7(f) Committed Investments

EXHIBITS:

A Form of Guarantee and Collateral Agreement
B Form of Compliance Certificate
C Form of Closing Certificate
D Form of Assignment and Assumption
E Form of Notice of Borrowing/Conversion/Continuation
F Form of U.S. Tax Compliance Certificate
G ~~Form of Increased Facility Activation Notice – Incremental Revolving Commitments~~[Reserved]
H ~~Form of New Lender Supplement~~[Reserved]
I [Reserved]
J Form of Subsidiary Borrower Joinder Agreement

CREDIT AGREEMENT (as amended by the First Amendment, dated as of November 19, 2018, the Second Amendment, dated as of December 17, 2018, and as further amended, amended and restated, supplemented or otherwise modified from time to time, this "Agreement"), dated as of February 1, 2018, among Credit RE Operating Company, LLC, a Delaware limited liability company (the "Parent Borrower"), the Subsidiary Borrowers (as defined below) from time to time party hereto, the several banks and other financial institutions or entities from time to time parties to this Agreement (the "Lenders") and JPMorgan Chase Bank, N.A., as administrative agent.

The parties hereto hereby agree as follows:

SECTION 1 DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the terms listed in this Section 1.1 shall have the respective meanings set forth in this Section 1.1.

"ABR": for any day, a rate per annum (rounded upwards, if necessary, to the next $1/16^{th}$ of 1%) equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus ½ of 1% and (c) the Adjusted LIBO Rate on such day (or if such day is not a Business Day, the next preceding Business Day) for a deposit in Dollars with a maturity of one month plus 1.0%, provided that for the purpose of this definition, the Adjusted LIBO Rate for any day shall be based on the Screen Rate (or if the Screen Rate is not available for a deposit in Dollars with a maturity of one month, the Interpolated Rate) at approximately 11:00 a.m. London time on such day. Any change in the ABR due to a change in the Prime Rate, the NYFRB Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted LIBO Rate, respectively. If the ABR is being used as an alternate rate of interest pursuant to Section 2.11 hereof, then the ABR shall be the greater of clause (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the ABR shall be less than 1.00%, such rate shall be deemed to be 1.00% for purposes of this Agreement.

"ABR Loans": Loans the rate of interest applicable to which is based upon the ABR.

"Adjusted EURIBO Rate": with respect to each day during each Interest Period pertaining to a EURIBOR Loan, a rate per annum determined for such day in accordance with the following formula:

$$\frac{\text{EURIBOR Screen Rate}}{\text{1.00 - Statutory Reserve Requirements}}$$

"Adjusted LIBO Rate": with respect to each day during each Interest Period pertaining to a Eurocurrency Loan, a rate per annum determined for such day in accordance with the following formula:

$$\frac{\text{LIBO Rate}}{\text{1.00 - Statutory Reserve Requirements}}$$

"Adjusted Net Book Value": with respect to any asset, (i) (x) prior to the completion of an Investment Asset Review pursuant to Section 10.18 with respect thereto, the net book value determined in accordance with GAAP (or, with respect to any CMBS, the fair value thereof as determined solely on the basis of broker quotes from brokers listed on Schedule 1.1B (but in no event greater than par)) and (y) upon the completion of an Investment Asset Review pursuant to Section 10.18 with respect thereto, the lesser of clause (x) and such appraised value as determined by the Independent Valuation Provider, plus

(ii) solely with respect to any Commercial Real Estate Ownership Investment and solely to the extent deducted in determining net book value, accumulated real property depreciation and amortization minus (iii) solely with respect to any Commercial Real Estate Ownership Investment and solely to the extent included in determining net book value, cumulative maintenance capital expenditures.

"Administrative Agent": JPMorgan Chase Bank, N.A., together with its affiliates, as the arranger of the Revolving Commitments and as the administrative agent for the Lenders under this Agreement and the other Loan Documents, together with any of its successors.

"Affected Financial Institution": (a) any EEA Financial Institution or (b) any UK Financial Institution.

"Affiliate": as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly, either to (a) vote 10% or more of the securities having ordinary voting power for the election of directors (or persons performing similar functions) of such Person or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

"Affiliated Holder": a Person that (i) owns directly or indirectly an Investment Asset that constitutes a Qualified Non-Pledged Asset and (ii) is either a Subsidiary that is a Subsidiary Guarantor or a Person in which any Capital Stock is directly or indirectly owned by a Subsidiary that is a Subsidiary Guarantor.

"Affiliated Investor": a Person that (i) owns directly or indirectly an Investment Asset and (ii) is either a Pledged Affiliate or a Person in which any Capital Stock is directly or indirectly owned by a Pledged Affiliate. For the avoidance of doubt, the term Affiliated Investor shall not include (A) an Equity Investment Asset Issuer or (B) any Domestic Loan Party.

"After-Acquired Property": as defined in Section 6.10(a).

"Agents": the collective reference to the Administrative Agent and any other agent identified on the cover page of this Agreement.

"Aggregate Exposure": with respect to any Lender at any time, the amount of the sum of such Lender's Dollar Commitment and Multicurrency Commitment in each case then in effect or, if the Revolving Commitments have been terminated, the amount of such Lender's Revolving Extensions of Credit then outstanding.

"Aggregate Exposure Percentage": with respect to any Lender at any time, the ratio (expressed as a percentage) of such Lender's Aggregate Exposure at such time to the Aggregate Exposure of all Lenders at such time.

"Agreed Foreign Currency": at any time, any of Euros, Pounds Sterling and Swiss Francs, and, with the agreement of each Multicurrency Lender, any other Foreign Currency, so long as, in respect of any such specified Foreign Currency or other Foreign Currency, at such time (a) each such currency is a lawful currency that is readily available, (b) such Foreign Currency is dealt with in the London interbank deposit market, (c) such Foreign Currency is freely transferable and convertible into Dollars in the London foreign exchange market and (d) no central bank or other governmental authorization in the country of issue of such Foreign Currency (including, in the case of the Euro, any authorization by the European Central Bank) is required to permit use of such Foreign Currency by any Multicurrency Lender for making any Loan hereunder and/or to permit any Borrower to borrow and repay

the principal thereof and to pay the interest thereon, unless such authorization has been obtained and is in full force and effect.

"Agreement": as defined in the preamble hereto.

"Anti-Corruption Laws": all laws, rules, and regulations of any jurisdiction applicable to the Parent Borrower or any of its Affiliates from time to time concerning or relating to bribery or corruption.

"Applicable Margin": the rate per annum equal to (a) with respect to Eurocurrency Loans and EURIBOR Loans, 2.25% and (b) with respect to ABR Loans, 1.25%.

"Application": with respect to an Issuing Lender, an application, in such form as such Issuing Lender may specify from time to time, requesting such Issuing Lender to open a Letter of Credit.

"Approved Fund": as defined in Section 10.6(b).

"Arrangers": JPMorgan Chase Bank, N.A., Barclays Bank PLC and ~~Merrill Lynch, Pierce, Fenner & Smith Incorporated (or any other registered broker-dealer wholly-owned by Bank of America Corporation to which all or substantially all of Bank of America Corporation's or any of its subsidiaries' investment banking, commercial lending services or related businesses may be transferred following the date of this Agreement).~~BofA Securities, Inc.

"Assignee": as defined in Section 10.6(b).

"Assignment and Assumption": an Assignment and Assumption, substantially in the form of Exhibit D or any other form (including electronic records generated by the use of an electronic platform) approved by the Administrative Agent.

"Assumed Facility Interest Expense": the greater of (i) actual interest expense on the Revolving Facility for the most recently ended fiscal quarter multiplied by four (4) and (ii) annual interest expense calculated by multiplying the average daily outstanding amount of the Revolving Facility during the most recently ended fiscal quarter by 7.0%.

"Available Dollar Commitment": as to any Lender at any time, an amount equal to the excess, if any, of (a) such Lender's Dollar Commitment then in effect over (b) such Lender's Revolving Dollar Extensions of Credit then outstanding.

"Available Multicurrency Commitment": as to any Lender at any time, an amount equal to the excess, if any, of (a) such Lender's Multicurrency Commitment then in effect over (b) the Dollar Equivalent of such Lender's Revolving Multicurrency Extensions of Credit then outstanding.

"Available Revolving Commitment": as to any Revolving Lender at any time, an amount equal to the excess, if any, of (a) such Lender's Revolving Commitment then in effect over (b) such Lender's Revolving Extensions of Credit then outstanding.

"Bail-In Action": the exercise of any Write-Down and Conversion Powers by the applicable ~~EEA~~ Resolution Authority in respect of any liability of an ~~EEA~~Affected Financial Institution.

"Bail-In Legislation": (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule. and (b) with respect to the United Kingdom, Part 1 of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Bankruptcy Event": with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, provided, further, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

"Beneficial Ownership Certification": a certification regarding beneficial ownership or control as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation": 31 C.F.R. § 1010.230.

"Benefit Plan": any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975 of the Code, to which Section 4975 of the Code applies, and (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"Benefitted Lender": as defined in Section 10.7(a).

"BHC Act Affiliate": with respect to a party, an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Board": the Board of Governors of the Federal Reserve System of the United States (or any successor).

"Borrower": the Parent Borrower and each Subsidiary Borrower (collectively, the "Borrowers").

"Borrowing Date": any Business Day specified by a Borrower as a date on which such Borrower requests the relevant Lenders to make Revolving Loans hereunder.

"Business": as defined in Section 4.17(b).

"Business Day": a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close, provided, that with respect to notices

and determinations in connection with, and payments of principal and interest on, (a) Loans having an interest rate determined by reference to the Adjusted LIBO Rate, such day is also a day for trading by and between banks in deposits in Dollars or an Agreed Foreign Currency (other than Euros), as applicable, in the London interbank market or the principal financial center of such Agreed Foreign Currency and (b) Loans denominated in Euros, such day is a day on which the TARGET2 payment system is open for the settlement of payments in Euros.

"Capital Expenditures": for any period, with respect to any Person, 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; provided, however, that Capital Expenditures shall exclude all Capital Expenditures made with respect to any Investment Asset.

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

"Capital Stock": any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing, but excluding any debt securities convertible into any of the foregoing.

"Cash Equivalents": (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition; (b) certificates of deposit, time deposits, eurodollar time deposits or overnight bank deposits maturing within one year from the date of acquisition issued by any Lender or by any commercial bank organized under the laws of the United States or any state thereof having combined capital and surplus of not less than $500,000,000; (c) commercial paper of an issuer rated at least A-2 by S&P or P-2 by Moody's, or carrying an equivalent rating by a nationally recognized rating agency, if both of the two named rating agencies cease publishing ratings of commercial paper issuers generally, and maturing within one year from the date of acquisition; (d) repurchase obligations of any Lender or of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than 30 days, with respect to securities issued or fully guaranteed or insured by the United States government; (e) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A-2 by S&P or P-2 by Moody's; (f) securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of clause (b) of this definition; (g) money market mutual or similar funds that invest exclusively in assets satisfying the requirements of clauses (a) through (f) of this definition; or (h) money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, as amended, (ii) are rated AAA by S&P and Aaa by Moody's and (iii) have portfolio assets of at least $5,000,000,000.

"Class": when used in reference to any Loan or Loans, refers to whether such Loan or Loans, are Dollar Loans or Multicurrency Loans; when used in reference to any Lender, refers to whether such Lender is a Dollar Lender or a Multicurrency Lender; and, when used in reference to any Revolving Commitment, refers to whether such Revolving Commitment is a Dollar Commitment or a Multicurrency Commitment.

"CLNS Contributed Portfolio": select assets and liabilities of Colony NorthStar to be contributed to the REIT Entity pursuant to the Combination Agreement.

"Closing Date": the date on which the conditions precedent set forth in Section 5.1 shall have been satisfied, which date is February 1, 2018.

"CMBS": mortgage pass-through certificates or other securities (other than any derivative security) issued pursuant to a securitization of commercial real estate securities or loans.

"CMBX Contract": any Swap Agreement constituting a credit default swap that references CMBS pursuant to the CMBX Index.

"CMBX Index": on any date of determination, the relevant CMBX index administered by IHS Markit Ltd. (or any successor thereto or other information service that administers such index from time to time).

"CMBX Termination Liability": on any date of determination, with respect to any CMBX Contract of the Parent Borrower or any of its Subsidiaries, the amount equal to (i) the close-out amount (expressed as a positive number) that would be payable (or if no amount would be payable, zero) by the Parent Borrower or any of its Subsidiaries under such CMBX Contract as a result of early liquidation or termination *less* (ii) the amount of margin collateral posted by the Parent Borrower or any of its Subsidiaries in respect of such CMBX Contract; provided that, if the amount as so determined would be less than zero, such amount shall be deemed to be zero.

"Code": the Internal Revenue Code of 1986, as amended.

"Collateral": all property of the Domestic Loan Parties, now owned or hereafter acquired, upon which a Lien is purported to be created by any Security Document.

"Colony Northstar": Colony Northstar, Inc., a Maryland corporation.

"Combination": the contribution by Colony NorthStar of the CLNS Contributed Portfolio to the REIT Entity, and the merger of each of NorthStar I and NorthStar II into the REIT entity pursuant to, and on the terms of, the Combination Agreement.

"Combination Agreement": that certain Amended and Restated Master Combination Agreement (together with all exhibits, schedules, attachments and disclosure letters thereto, and as may be amended, amended and restated, supplemented or otherwise modified from time to time prior to the date hereof in a manner not materially adverse to the Lenders), dated as of November 20, 2017, by and among NorthStar I, NorthStar Real Estate Income Trust Operating Partnership, LP, a Delaware limited partnership and the operating partnership of NorthStar I, NorthStar II, NorthStar Real Estate Income Operating Partnership II, LP, a Delaware limited partnership and the operating partnership of NorthStar II, the REIT Entity and the Parent Borrower.

"Commercial Real Estate Debt Investment": a commercial mortgage loan or other commercial real estate-related debt investment (including any land loan, construction loan or other loan secured by land, but excluding any CMBS).

"Commercial Real Estate Ownership Investment": a fee simple interest in commercial real property. For purposes of the definition of "Maximum Permitted Outstanding Amount", a Portfolio consisting entirely of Commercial Real Estate Ownership Investments, as defined above, shall be deemed to be a single Commercial Real Estate Ownership Investment.

"Commitment Fee Rate": (a) as to Dollar Commitments, (i) at any time that the Facility Utilization of the Dollar Commitments is below 50%, 0.35% and (ii) otherwise, 0.25% and (b) as to Multicurrency Commitments, (i) at any time that the Facility Utilization of the Multicurrency Commitments is below 50%, 0.35% and (ii) otherwise, 0.25%; provided that at any time that any Indebtedness described in Section 7.2(h) shall have been incurred and shall remain outstanding, the Commitment Fee Rate with respect to each of the Dollar Commitments and Multicurrency Commitments shall be 1.00%.

~~"Commitment Increase": as defined in Section 2.19(a).~~

"Compliance Certificate": a certificate duly executed by a Responsible Officer of the Parent Borrower substantially in the form of Exhibit B.

"Consolidated Cash Interest Expense": for any period, that portion of Consolidated Interest Expense for such period that is paid or payable in cash; provided, however, that Consolidated Cash Interest Expense shall exclude (i) any interest expense recognized in such period that is paid from a prefunded interest reserve for such period to the extent the amounts in such prefunded interest reserve were included in Consolidated Cash Interest Expense in a prior period and (ii) any fees and expenses accounted for as deferred financing costs.

"Consolidated EBITDA": 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 the Parent Borrower 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 Fixed Charge Coverage Ratio": for any period, the ratio of (a) (i) Consolidated EBITDA for such period plus (ii) Consolidated Lease Expense for such period to (b) Consolidated Fixed Charges for such period.

"Consolidated Fixed Charges": for any period, the sum (without duplication) of (a) Consolidated Cash Interest Expense for such period, (b) Consolidated Lease Expense for such period that is paid or payable in cash, (c) the aggregate amount actually paid by the Parent Borrower and its Subsidiaries during such period on account of Capital Expenditures (excluding the principal amount of Indebtedness (other than any Revolving Loans) incurred in connection with such expenditures), (d) scheduled payments made during such period on account of principal of Indebtedness of the Parent Borrower or any of its Consolidated Subsidiaries (excluding (i) scheduled principal payments and any payment at maturity in respect of Extended Loans and (ii) scheduled principal payments made by the Parent Borrower or a Consolidated Subsidiary that are paid solely from funds collected as principal due under another credit facility in which the Parent Borrower or such Consolidated Subsidiary, as applicable, is the lender) and (e) the amount of

Restricted Payments paid or required to be paid by the Parent Borrower in cash during such period in respect of any of its preferred Capital Stock.

"Consolidated Group Pro Rata Share": with respect to any Non Wholly-Owned Consolidated Affiliate, the percentage interest held by the Parent Borrower 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 Parent Borrower and its Wholly-Owned Subsidiaries.

"Consolidated Interest Expense": for any period, total interest expense (including that attributable to Capital Lease Obligations) of the Parent Borrower and its Consolidated Subsidiaries for such period with respect to all outstanding Indebtedness of the Parent Borrower 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. Notwithstanding anything to the contrary in this Agreement or the other Loan Documents, all interest expense of the REIT Entity shall be deemed to be interest expense of the Parent Borrower for all purposes of the Loan Documents (including without limitation any financial definitions) to the extent not otherwise constituting interest expense of the Parent Borrower.

"Consolidated Lease Expense": for any period, the aggregate amount of fixed and contingent rentals payable by the Parent Borrower and its Consolidated Subsidiaries for such period with respect to leases of real and personal property, determined on a consolidated basis in accordance with GAAP.

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

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

"Consolidated Tangible Net Worth": at any date, all amounts that would, in conformity with GAAP, be included on a consolidated balance sheet of the Parent Borrower 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 the Parent Borrower 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 the Parent Borrower 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); provided, however, that there shall be excluded from the calculation of "Consolidated Tangible Net Worth" any effects resulting from the application of FASB ASC No. 715: Compensation - Retirement Benefits.

"Consolidated Total Debt": at any date, the aggregate principal amount of all Indebtedness of the Parent Borrower 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 50% of Permitted Warehouse Indebtedness (provided that (x) no more than $150,000,000 of Permitted Warehouse Indebtedness may be excluded pursuant to this clause (ii) and (y) solely for the purpose of this definition, Permitted Warehouse Indebtedness shall exclude any portion of Warehouse Indebtedness used to finance the purchase or origination of a Commercial Real Estate Debt Investment that continues to secure such Warehouse Indebtedness twelve months after the purchase or origination thereof), (iii) exclude all Permitted Non-Recourse CLO Indebtedness, (iv) include any Imputed CMBX Indebtedness as of such date and (v) solely with respect to the Indebtedness of any Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of such Indebtedness.

"Consolidating Information": as defined in Section 6.1.

"Continuing Directors": the directors of the REIT Entity on the Closing Date, after giving effect to the transactions contemplated hereby, and each other director, if, in each case, (i) such other director's nomination for election to the board of directors of the REIT Entity is recommended by at least a majority of the then Continuing Directors in his or her election by the shareholders of the REIT Entity or (ii) such other director is approved by the board of directors of the REIT Entity as a director candidate prior to his or her election.

"Contractual Obligation": as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Control": the possession, directly or indirectly, of the power to veto, direct or cause the direction of the management or fundamental policies of a Person, whether through the ability to exercise voting power, by contract or otherwise which for purposes of this definition shall include, among other things, ownership of Capital Stock having at least 50% of the voting interests of a Person or having majority control of a board of directors or equivalent governing body of a Person.

"Control Agreement": a deposit account control agreement or securities account control agreement, as applicable, executed by a Domestic Loan Party, the Administrative Agent and the applicable depository bank or securities intermediary granting the Administrative Agent control over the applicable deposit account or securities account, which agreement shall be in form and substance satisfactory to the Administrative Agent.

"Convertible Notes": convertible notes that are issued by the Parent Borrower in a transaction permitted by Section 7.2.

"Core Earnings": for any period, net income determined in accordance with GAAP of the Parent Borrower 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 REIT Entity 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; provided, further, that during any period in which the Parent Borrower or any of its Consolidated Subsidiaries is a party to any Qualified CMBX Contract, Core Earnings shall be reduced by the amount of any additional margin collateral posted (or required to be posted) during such period (and increased by any margin collateral refunded during such period) in respect of any Qualified CMBX Contracts.

"Covered Entity": any of the following:

(a) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(b) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(c) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Covered Party": as defined in Section 10.23.

"Credit Party": the Administrative Agent, any Issuing Lender or any other Lender and, for the purposes of Section 10.13 only, any other Agent and the Arrangers.

"Currency": Dollars or any Foreign Currency.

"Debtor Relief Laws": the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

"Default": any of the events specified in Section 8, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Defaulting Lender": any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Revolving Loans, (ii) fund any portion of its participations in Letters of Credit or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Parent Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by a Credit Party or the Parent Borrower, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Revolving Loans and participations in then outstanding Letters of Credit under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party's or the Parent Borrower's receipt, as applicable, of such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has, or has

a Lender Parent that has, become the subject of a Bankruptcy Event or a Bail-In Action. Any determination by the Administrative Agent made in writing to the Parent Borrower and each Lender that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error.

"Default Right": as defined in, and interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"Disposition": with respect to any property, any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition (in one transaction or in a series of transactions and whether effected pursuant to a Division or otherwise) thereof. The terms "Dispose" and "Disposed of" shall have correlative meanings.

"Disqualified Capital Stock": any Capital Stock which, by its terms (or by the terms of any security or other Capital Stock into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (a) matures or is mandatorily redeemable (other than solely for Capital Stock other than Disqualified Capital Stock), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Revolving Commitments and all outstanding Letters of Credit), (b) is redeemable at the option of the holder thereof (other than solely for Capital Stock other than Disqualified Capital Stock), in whole or in part, (c) provides for the scheduled payments of dividends in cash, or (d) is or becomes convertible into or exchangeable for Indebtedness or any other Capital Stock that would constitute Disqualified Capital Stock, in each case, prior to the date that is ninety-one (91) days after the Latest Termination Date.

"Distribution Account": as defined in Section 6.14(a).

"Distributions": (a) any and all dividends, distributions or other payments or amounts made, or required to be paid or made to a Domestic Loan Party by any Affiliated Investor who, directly or indirectly, owns an Investment Asset, including, without limitation, any distributions of payments to such Domestic Loan Party in respect of principal, interest or other amounts relating to such Investment Asset owned, directly or indirectly, by such Affiliated Investor and (b) any and all amounts owing to such Domestic Loan Party from the disposition, dissolution or liquidation of any such Affiliated Investor referred to in clause (a) above (or any direct or indirect parent thereof) or from the issuance or sale of Capital Stock of such Affiliated Investor (or any direct or indirect parent thereof).

"Dividing Person" has the meaning assigned to it in the definition of "Division".

"Division": the division of the assets, liabilities and/or obligations of a Person (the "Dividing Person") among two or more Persons (whether pursuant to a "plan of division" or similar arrangement), which may or may not include the Dividing Person and pursuant to which the Dividing Person may or may not survive.

"Division Successor": any Person that, upon the consummation of a Division of a Dividing Person, holds all or any portion of the assets, liabilities and/or obligations previously held by such Dividing Person immediately prior to the consummation of such Division. A Dividing Person which retains any of its assets, liabilities and/or obligations after a Division shall be deemed a Division Successor upon the occurrence of such Division.

"Dollar Commitment": with respect to each Dollar Lender, the amount of each Lender's Dollar Commitment set forth on Schedule 1.1A or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Dollar Commitment, as applicable, as the same may be changed from time to time pursuant to the terms hereof. The aggregate amount of the Lenders' Dollar Commitments as of the ~~Second~~Third Amendment Effective Date is $0.

"Dollar Equivalent": for any amount, at the time of determination thereof, (a) if such amount is expressed in Dollars, such amount, (b) if such amount is expressed in an Agreed Foreign Currency, the equivalent of such amount in Dollars determined by using the rate of exchange for the purchase of Dollars with the Agreed Foreign Currency last provided (either by publication or otherwise provided to the Administrative Agent) by the applicable Thomson Reuters Corp. ("Reuters") source on the Business Day (New York City time) immediately preceding the date of determination or if such service ceases to be available or ceases to provide a rate of exchange for the purchase of Dollars with the Agreed Foreign Currency, as provided by such other publicly available information service which provides that rate of exchange at such time in place of Reuters, chosen by the Administrative Agent in its sole discretion (or if such service ceases to be available or ceases to provide such rate of exchange for the purchase of Dollars with the Agreed Foreign Currency, the equivalent of such amount in Dollars as determined by the Administrative Agent using any method of determination it deems appropriate in its sole discretion) and (c) if such amount is denominated in any other Currency, the equivalent of such amount in Dollars as determined by the Administrative Agent using any method of determination it deems appropriate in its sole discretion.

"Dollar Lender": each Person listed on Schedule 1.1A as having a Dollar Commitment and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption that provides for it to assume Dollar Commitments or to acquire Revolving Dollar Extensions of Credit, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption or otherwise in accordance with the terms hereof.

"Dollar Loan": with respect to a Borrower, a Loan denominated in Dollars made to such Borrower by a Dollar Lender pursuant to its Dollar Commitment.

"Dollar Revolving Percentage": as to any Dollar Lender at any time, the percentage which such Dollar Lender's Dollar Commitment then constitutes of the Total Dollar Commitments or, at any time after the Dollar Commitments shall have expired or terminated, the percentage which the aggregate principal amount of such Dollar Lender's Dollar Loans then outstanding constitutes of the aggregate principal amount of the Dollar Loans then outstanding.

"Dollars" and "$": dollars in lawful currency of the United States.

"Domestic Borrower": any Borrower organized under the laws of any jurisdiction within the United States.

"Domestic Loan Party": any Loan Party organized under the laws of any jurisdiction within the United States.

"Domestic Subsidiary": any Subsidiary of the Parent Borrower organized under the laws of any jurisdiction within the United States.

"EEA Financial Institution": (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of

this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country": any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority": any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Eligible CRE Development Investments": as defined in clause (5) of the definition of "Maximum Permitted Outstanding Amount".

"Eligible Jurisdiction": each of Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom (or, as the case may be, England, Scotland, Wales and Northern Ireland), provided that the Administrative Agent may, in its sole discretion, remove one or more of the countries comprising the Eligible Jurisdictions and subsequently add one or more countries back as Eligible Jurisdictions.

"Entitled Person": as defined in Section 10.22.

"Environmental Laws": any and all laws (including common law), treaties, rules, orders, regulations, statutes, ordinances, codes, decrees, requirements of any Governmental Authority or other Requirements of Law regulating, relating to or imposing liability or standards of conduct concerning protection of human health or the environment, as now or may at any time hereafter be in effect.

"Equity Investment Asset Issuer": (i) each issuer of a Preferred Equity Investment and (ii) each issuer of an Existing Private Equity Interest, in each case, including any Subsidiary thereof.

"ERISA": the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate": any entity, trade or business (whether or not incorporated) that, is under common control with a Group Member within the meaning of Section 4001(a)(14) of ERISA or, together with any Group Member, is treated as a single employer under Section 414 of the Code.

"ERISA Event": (a) the failure of any Plan to comply with any provisions of ERISA and/or the Code (and applicable regulations under either) or with the terms of such Plan; (b) the existence with respect to any Plan of a non-exempt Prohibited Transaction; (c) any Reportable Event; (d) the failure of any Group Member or ERISA Affiliate to make by its due date a required installment under Section 430(j) of the Code with respect to any Pension Plan or any failure by any Pension Plan to satisfy the minimum funding standards (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Pension Plan, whether or not waived; (e) a determination that any Pension Plan is, or is expected to be, in "at risk" status (within the meaning of Section 430 of the Code or Section 303 of ERISA); (f) the filing pursuant to Section 412 of the Code or Section 302 of ERISA of an application for a waiver of the minimum funding standard with respect to any Pension Plan; (g) the occurrence of any event or condition which might constitute grounds under ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or the incurrence by any Group Member or any ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Pension Plan, including but not limited to the imposition of any Lien in favor of the PBGC or any Pension Plan;

(h) the receipt by any Group Member or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Pension Plan or to appoint a trustee to administer any Pension Plan under Section 4042 of ERISA; (i) the failure by any Group Member or any of its ERISA Affiliates to make any required contribution to a Multiemployer Plan pursuant to Sections 431 or 432 of the Code; (j) the incurrence by any Group Member or any ERISA Affiliate of any liability with respect to the withdrawal or partial withdrawal from any Pension Plan or Multiemployer Plan; (k) the receipt by any Group Member or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from a Group Member or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, Insolvent, in "endangered" or "critical" status (within the meaning of Section 432 of the Code or Section 305 of ERISA), or terminated (within the meaning of Section 4041A of ERISA); or (l) the failure by any Group Member or any of its ERISA Affiliates to pay when due (after expiration of any applicable grace period) any installment payment with respect to Withdrawal Liability under Section 4201 of ERISA.

"EU Bail-In Legislation Schedule": the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

"EURIBOR Loans": Loans denominated in Euros.

"EURIBOR Screen Rate": the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) for the relevant period displayed (before any correction, recalculation or republication by the administrator) on page EURIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters as of 11:00 a.m. Brussels time two TARGET days prior to the commencement of such Interest Period; provided, that for any Impacted Interest Period with respect to the EURIBOR Screen Rate, the EURIBOR Screen Rate shall be the Interpolated Rate at such time (provided that if the Interpolated Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement). If such page or service ceases to be available, the Administrative Agent may specify another page or service displaying the relevant rate after consultation with the Company. If the EURIBOR Screen Rate shall be less than zero, the EURIBOR Screen Rate shall be deemed to be zero for purposes of this Agreement.

"EURIBOR Tranche": the collective reference to EURIBOR Loans under the Revolving Facility and the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

"Euro": refers to the lawful money of the Participating Member States.

"Eurocurrency Loans": Loans, in any Eurocurrency Quoted Currency, the rate of interest applicable to which is based upon the Adjusted LIBO Rate.

"Eurocurrency Quoted Currency": Dollars, Pounds Sterling and Swiss Francs, in each case so long as there is a published LIBOR Screen Rate with respect thereto.

"Eurocurrency Tranche": the collective reference to Eurocurrency Loans the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

"Event of Default": any of the events specified in Section 8, provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Excluded Foreign Subsidiary": (1) any Foreign Subsidiary in respect of which either (a) the pledge of all of the Capital Stock of such Subsidiary as Collateral or (b) the guaranteeing by such Subsidiary of the Obligations, would, in the good faith judgment of the Parent Borrower, result in adverse tax consequences to the Parent Borrower, (2) any Domestic Subsidiary substantially all of whose assets consist of equity interests in an Excluded Foreign Subsidiary or (3) any Domestic Subsidiary of an Excluded Foreign Subsidiary.

"Excluded Subsidiary": any Subsidiary (other than a Subsidiary Borrower) that (i) is an Immaterial Subsidiary, (ii) has or is reasonably expected to incur secured Indebtedness within 120 days (or by such later date as the Administrative Agent may agree in its sole discretion) of becoming subject to the requirements of Section 6.10(c) hereof that (x) is owed to a Person that is not an Affiliate of the Parent Borrower or any Subsidiary thereof and (y) by its terms does not permit such Subsidiary to guarantee the Obligations of the Parent Borrower or (iii) is an Intermediate Holdco Subsidiary.

"Excluded Swap Obligation": with respect to any Subsidiary Guarantor, any Swap Obligation, if, and to the extent that, and only for so long as, all or a portion of the guarantee of such Subsidiary Guarantor of, or the grant by such Subsidiary Guarantor of a security interest to secure, such Swap Obligation (or any guarantee thereof) is or becomes illegal or unlawful under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Subsidiary Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the guarantee of (or grant of such security interest by, as applicable) such Subsidiary Guarantor becomes or would otherwise have become effective with respect to such Swap Obligation but for such Subsidiary Guarantor's failure to constitute an "eligible contract participant" at such time. If a Swap Obligation arises under a master agreement governing more than one Swap Agreement, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to Swap Agreements for which such guarantee or security interest is or becomes illegal or unlawful under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof).

"Excluded Taxes": any of the following Taxes imposed on or with respect to a Credit Party or required to be withheld or deducted from a payment to a Credit Party, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Credit Party (or any direct or indirect investor therein) being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Revolving Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Revolving Commitment (other than pursuant to an assignment request by the Parent Borrower under Section 2.17) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.14, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender acquired the applicable interest in such Loan or Revolving Commitment or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Credit Party's failure to comply with Section 2.14(f), and (d) any U.S. Federal withholding Taxes imposed under FATCA.

"Existing Private Equity Interests": any limited partner, limited liability company membership or other similar equity interest in private equity fund(s), to the extent such equity interests are owned on the Closing Date by a Pledged Loan Party or an Unlevered Affiliated Investor.

"Extended Commitments": as defined in Section 2.20.

"Extended Loans": as defined in Section 2.20.

"Extended Termination Date": as defined in Section 2.20.

"Extension Date": as defined in Section 2.20.

"Extension Option": as defined in Section 2.20.

"Facility Utilization": at any date, the amount (expressed as a percentage) equal to (a) in the case of the Dollar Commitments, (x) the Total Dollar Extensions of Credit divided by (y) the Total Dollar Commitments and (b) in the case of Multicurrency Commitments, (x) the Total Multicurrency Extensions of Credit divided by (y) the Total Multicurrency Commitments.

"FATCA": Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

"Federal Funds Effective Rate": for any day, the rate calculated by the NYFRB based on such day's federal funds transactions by depositary institutions, as determined in such manner as the NYFRB shall set forth on its public website from time to time, and published on the next succeeding Business Day by the NYFRB as the effective federal funds rate; provided that if the Federal Funds Effective Rate as so determined would be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"Fee Payment Date": (a) the last day of each March, June, September and December and (b) the last day of the Revolving Commitment Period.

"First Amendment": the first Amendment to this Agreement, dated as of the First Amendment Effective Date.

"First Amendment Effective Date": November 19, 2018.

"First Priority Commercial Real Estate Debt Investments": any Commercial Real Estate Debt Investment secured by a first priority Lien on the underlying asset (which, for the avoidance of doubt, shall not include any "B-note" or "B-piece" or any other junior tranche of an investment) and with respect to which no other Indebtedness has been incurred that is prior in right of payment in any respect; provided, however, that for purposes of the definition of "Maximum Permitted Outstanding Amount" and the component definitions thereof, (i) such investment shall constitute a First Priority Commercial Real Estate Debt Investment only if held by a Pledged Loan Party or an Unlevered Affiliated Investor (it being understood that such requirement shall not apply for purposes of the definition of Qualified Levered SPV Affiliated Investor), (ii) any Portfolio otherwise constituting a First Priority Commercial Real Estate Debt Investment in which greater than 25% of the Adjusted Net Book Value of such Portfolio is classified as Non-Performing Loans shall instead be deemed to be a Junior Priority Commercial Real Estate Debt Investment (it being understood that such classification as a Junior Priority Commercial Real Estate Debt Investment pursuant to this clause (ii) shall not apply for purposes of the definition of Qualified Levered SPV Affiliated Investor) and (iii) any single Investment Asset otherwise constituting a First Priority Commercial Real Estate Debt Investment that is a Non-Performing Loan shall not constitute a First Priority Commercial Real Estate Debt Investment and shall not contribute to the Maximum Permitted

Outstanding Amount. For clarity, a Portfolio consisting entirely of First Priority Commercial Real Estate Debt Investments, as defined above, shall be deemed to be a single First Priority Commercial Real Estate Debt Investment.

"First Priority Commercial Real Estate Investments": collectively, (a) any First Priority Commercial Real Estate Debt Investment and (b) any unencumbered Commercial Real Estate Ownership Investment (excluding land) that is wholly-owned by an Unlevered Affiliated Investor.

"Fitch": Fitch Ratings and its successors.

"Foreign Benefit Arrangement": any employee benefit arrangement mandated by non-US law that is maintained or contributed to by any Group Member or any ERISA Affiliate.

"Foreign Borrower": any Subsidiary Borrower that is not a Domestic Subsidiary.

"Foreign Currency": at any time any Currency other than Dollars.

"Foreign Plan": each employee benefit plan (within the meaning of Section 3(3) of ERISA, whether or not subject to ERISA) that is not subject to US law and is maintained or contributed to by any Group Member or any ERISA Affiliate.

"Foreign Plan Event": with respect to any Foreign Benefit Arrangement or Foreign Plan, (a) the failure to make or, if applicable, accrue in accordance with normal accounting practices, any employer or employee contributions required by applicable law or by the terms of such Foreign Benefit Arrangement or Foreign Plan; (b) the failure to register or loss of good standing with applicable regulatory authorities of any such Foreign Benefit Arrangement or Foreign Plan required to be registered; or (c) the failure of any Foreign Benefit Arrangement or Foreign Plan to comply with any material provisions of applicable law and regulations or with the material terms of such Foreign Benefit Arrangement or Foreign Plan.

"Foreign Subsidiary": any Subsidiary of the Parent Borrower that is not a Domestic Subsidiary.

"Funding Office": with respect to any Currency, the office of the Administrative Agent specified in Section 10.2 for such Currency or such other office as may be specified from time to time by the Administrative Agent as its funding office for such Currency by written notice to the Parent Borrower and the Lenders.

"GAAP": generally accepted accounting principles in the United States as in effect from time to time, except that for purposes of Section 7.1, GAAP shall be determined on the basis of such principles in effect on the date hereof and consistent with those used in the preparation of the most recent audited financial statements referred to in Section 4.1. In the event that any "Accounting Change" (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in this Agreement, then the Borrowers and the Administrative Agent agree to enter into negotiations in order to amend such provisions of this Agreement so as to reflect equitably such Accounting Changes with the desired result that the requirements and limitations imposed by such financial covenants, standards or terms shall be the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as such an amendment shall have been executed and delivered by the Borrowers, the Administrative Agent and the Required Lenders, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred. "Accounting Changes" refers to changes in accounting principles

required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the SEC.

"Governmental Authority": any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization (including the National Association of Insurance Commissioners).

"Group Members": the collective reference to the Parent Borrower and its Subsidiaries.

"Guarantee and Collateral Agreement": the Guarantee and Collateral Agreement to be executed and delivered by the Parent Borrower, each Subsidiary Guarantor and the Administrative Agent, substantially in the form of Exhibit A

"Guarantee Obligation": as to any Person (the "guaranteeing person"), any obligation, including a reimbursement, counterindemnity or similar obligation, of the guaranteeing Person that guarantees or in effect guarantees, or which is given to induce the creation of a separate obligation by another Person (including any bank under any letter of credit) that guarantees or in effect guarantees, any Indebtedness, leases, dividends or other obligations (the "primary obligations") of any other third Person (the "primary obligor") in any manner, whether directly or indirectly, including any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the Parent Borrower in good faith.

"Immaterial Subsidiary": as of any date, a Subsidiary that, together with its Consolidated Subsidiaries, as of the last day of the most recent fiscal quarter of the Parent Borrower for which consolidated financial statements have been delivered in accordance with Section 6.1 (x) did not have (a) assets with a value in excess of 2.0% of Total Asset Value or (b) Consolidated EBITDA representing in excess of 2.0% of Consolidated EBITDA for the four fiscal quarters ending on such last day and (y) when taken together with all other Immaterial Subsidiaries on a consolidated basis as of such date, did not have assets with a value in excess of 10.0% of the Total Asset Value as of such date or Consolidated EBITDA representing in excess of 10.0% of Consolidated EBITDA for the four fiscal quarters ending on such date, each calculated by reference to the latest consolidated financial statements delivered to the Administrative Agent in accordance with Section 6.1. Any Immaterial Subsidiary may be designated to be a Material Subsidiary for the purposes of this Agreement and the other Loan Documents by written notice to the Administrative Agent.

"Impacted Interest Period": with respect to the LIBOR Screen Rate or the EURIBOR Screen Rate, an Interest Period for which the LIBOR Screen Rate or the EURIBOR Screen Rate, as applicable, is not available for the determination of such rate.

"Imputed CMBX Indebtedness": at any time that the Parent Borrower or any of its Consolidated Subsidiaries is a party to a Qualified CMBX Contract, Indebtedness in an aggregate principal amount equal to the notional value of the Reference CMBS with respect to such Qualified CMBX Contract *minus* the aggregate principal amount of any margin collateral posted by the Parent Borrower or any of its Consolidated Subsidiaries in connection therewith.

~~"Increased Facility Activation Date": any Business Day on which any Lender shall execute and deliver to the Administrative Agents an Increased Facility Activation Notice pursuant to Section 2.19(a).~~

~~"Increased Facility Activation Notice": a notice substantially in the form of Exhibit G.~~

~~"Increased Facility Closing Date": any Business Day designated as such in an Increased Facility Activation Notice.~~

"Indebtedness": of any Person at any date, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than current trade payables incurred in the ordinary course of such Person's business), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all Capital Lease Obligations of such Person, (f) all obligations of such Person, contingent or otherwise, as an account party or applicant under or in respect of acceptances, letters of credit, surety bonds or similar arrangements, (g) the liquidation value of all mandatorily redeemable preferred Capital Stock of such Person (except for Capital Stock (x) mandatorily redeemable as a result of a change of control or asset sale so long as any rights of the holders thereof upon such occurrence shall be subject to the prior Payment in Full of the Obligations or (y) mandatorily redeemable not prior to the date that is 91 days after Payment in Full), (h) all Guarantee Obligations of such Person in respect of obligations of the kind referred to in clauses (a) through (g) above, (i) all obligations of the kind referred to in clauses (a) through (h) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on property (including accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation, and (j) for the purposes of Section 8(e) only, all obligations of such Person in respect of Swap Agreements. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness expressly provide that such Person is not liable therefor. Notwithstanding anything to the contrary in this Agreement or the other Loan Documents, all Indebtedness of the REIT Entity shall be deemed to be Indebtedness of the Parent Borrower for all purposes of the Loan Documents (including without limitation any financial definitions) to the extent not otherwise constituting Indebtedness of the Parent Borrower.

"Indemnified Taxes": (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in clause (a) above, Other Taxes.

"Independent Valuation Provider": as defined in Section 10.18.

"Initial Revolving Termination Date": February 1, 2022.

"Insolvent": with respect to any Multiemployer Plan, the condition that such plan is insolvent within the meaning of Section 4245 of ERISA.

"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.

"Intellectual Property": the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including copyrights, copyright licenses, patents, patent licenses, trademarks, trademark licenses, technology, know-how and processes, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"Interest Coverage Ratio": for any fiscal quarter, the ratio of (i) (x) the portion of Consolidated EBITDA for such fiscal quarter attributable to investments included in the Maximum Permitted Outstanding Amount at any point during such fiscal quarter (provided that the calculation of such portion of Consolidated EBITDA (A) shall exclude general corporate-level expense and (B) shall not include any add backs of interest expense other than the interest expense related to the Revolving Facility) multiplied by (y) 4 to (ii) Assumed Facility Interest Expense with respect to such fiscal quarter.

"Interest Payment Date": (a) as to any ABR Loan, the last day of each March, June, September and December (or, if an Event of Default is in existence, the last day of each calendar month) to occur while such Loan is outstanding and the final maturity date of such Loan, (b) as to any Eurocurrency Loan or EURIBOR Loan having an Interest Period of three months or less, the last day of such Interest Period, (c) as to any Eurocurrency Loan or EURIBOR Loan having an Interest Period longer than three months, each day that is three months, or a whole multiple thereof, after the first day of such Interest Period and the last day of such Interest Period and (d) as to any Loan (other than any Revolving Loan that is an ABR Loan), the date of any repayment or prepayment made in respect thereof.

"Interest Period": as to any Eurocurrency Loan or EURIBOR Loan, (a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurocurrency Loan or EURIBOR Loan and ending one, two, three or six months thereafter, as selected by the applicable Borrower in its notice of borrowing or notice of conversion, as the case may be, given with respect thereto; and (b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurocurrency Loan or EURIBOR Loan and ending one, two, three or six months thereafter, as selected by the applicable Borrower by irrevocable notice to the Administrative Agent not later than 11:00 A.M., New York City time, on the date that is three Business Days prior to the last day of the then current Interest Period with respect thereto; provided that, all of the foregoing provisions relating to Interest Periods are subject to the following:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result

of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(ii) the Borrowers may not select an Interest Period under the Revolving Facility that would extend beyond the Revolving Termination Date; and

(iii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month; and

(iv) the date of such Loans initially shall be the date on which such Loan is made and thereafter, shall be the effective date of the most recent conversion or continuation of such Loan.

"Intermediate Holdco Subsidiary": a Subsidiary of the Parent Borrower designated as an Intermediate Holdco Subsidiary by the Parent Borrower in writing to the Administrative Agent and which (i) does not own, lease, manage or otherwise operate any properties or assets (including cash and cash equivalents) other than direct or indirect ownership interests in a Subsidiary Guarantor or another Intermediate Holdco Subsidiary, (ii) does not conduct, transact or otherwise engage in, and does not commit to conduct, transact, or otherwise engage in, any business or operations other than those incidental to its ownership of the Capital Stock of a Subsidiary Guarantor or another Intermediate Holdco Subsidiary and (iii) incurs no Indebtedness other than certain intercompany obligations owing to the Parent Borrower or any other Subsidiary of the Parent Borrower.

"Interpolated Rate": at any time, for any Interest Period and for the applicable Currency, the rate per annum (rounded to the same number of decimal places as the applicable Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the applicable Screen Rate (for the longest period for which that applicable Screen Rate is available for the applicable Currency) that is shorter than the Impacted Interest Period and (b) the applicable Screen Rate (for the shortest period for which that applicable Screen Rate is available for the applicable Currency) that exceeds the Impacted Interest Period, in each case, as of the Specified Time on the Quotation Day for such Interest Period. When determining the rate for a period which is less than the shortest period for which the applicable Screen Rate is available, the applicable Screen Rate for purposes of clause (a) above shall be deemed to be the overnight rate for the applicable Currency determined by the Administrative Agent from such service as the Administrative Agent may select.

"Investment Asset": (i) a Commercial Real Estate Debt Investment, (ii) a Commercial Real Estate Ownership Investment, (iii) a Preferred Equity Investment, (iv) Qualified Levered SPV Capital Stock or Specified Levered SPV Capital Stock, (v) a Specified Levered SPV Investment, (vi) CMBS, (vii) any Portfolio of any of the foregoing, in each case to the extent owned by a Pledged Loan Party or any other Person in which a Domestic Loan Party, directly or indirectly, owns any Capital Stock or (viii) an Existing Private Equity Interest.

"Investment Asset Review": as defined in Section 10.18.

"Investment Grade CMBS": any CMBS having a rating of Baa3 or BBB- (or the equivalent with a stable or better outlook) or higher by at least two Rating Agencies (it being acknowledged that such securities may also have a lower rating from, or may not be rated by, one Rating Agency).

"Investment Location": (i) with respect to a Commercial Real Estate Debt Investment, (x) to the extent such Commercial Real Estate Debt Investment is secured, the jurisdiction in which the underlying commercial real property subject to such Commercial Real Estate Debt Investment is located and (y) to the extent such Commercial Real Estate Debt Investment is unsecured, the jurisdiction of the governing law of the contract governing such Commercial Real Estate Debt Investment; (ii) with respect to a Specified GAAP Reportable B Loan Transaction, the jurisdiction of the governing law of the contracts governing such Specified GAAP Reportable B Loan Transaction; (iii) with respect to a Commercial Real Estate Ownership Investment, the jurisdiction in which such Commercial Real Estate Ownership Investment is physically located; (iv) with respect to Qualified Levered SPV Capital Stock and Specified Levered SPV Capital Stock, the jurisdiction in which the First Priority Commercial Real Estate Debt Investments held by the related Affiliated Investor are located (with such location being determined in accordance with clause (i) or, with respect to a Portfolio, clause (vi) of this definition); (v) with respect to a Preferred Equity Investment, the jurisdiction in which the issuer of such Preferred Equity Investment is organized; (vi) with respect to CMBS, the jurisdiction of the governing law of the contracts governing such CMBS; (vii) with respect to an Existing Private Equity Interest, the jurisdiction in which the issuer of such Existing Private Equity Interest is organized; or (viii) with respect to a Portfolio of any of the foregoing, the Investment Location of each Investment Asset in such Portfolio (and it being agreed that if the Investment Location of any Investment Asset in such Portfolio shall be deemed to be a Non-Qualifying Location, then only such Investment Asset, and not the Portfolio as a whole, shall be deemed to have an Investment Location in a Non-Qualifying Location). Notwithstanding the foregoing, if any (a) Equity Investment Asset Issuer, (b) Affiliated Investor, (c) underlying real estate asset relating to an Investment Asset or (d) Affiliate of the Parent Borrower that directly or indirectly owns an underlying real estate asset relating to an Investment Asset to the extent that the ownership interest attributable to such Affiliate contributes or results in a contribution to the calculation of the Maximum Permitted Outstanding Amount, in each case, is located in a Non-Qualifying Location, then the Investment Location of each Investment Asset owned directly or indirectly by such Person or to which such underlying real estate asset relates, as applicable, shall be deemed to have an Investment Location in a Non-Qualifying Location. For purposes of the foregoing sentence, each Person shall be located in the jurisdiction in which it is organized and each underlying real estate asset shall be located in the jurisdiction in which such real estate asset is physically located.

"Investments": as defined in Section 7.7.

"IRS": the United States Internal Revenue Service.

"ISP": with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance).

"Issuing Lender": each of JPMorgan Chase Bank, N.A., Barclays Bank PLC and Bank of America, N.A. (or in each case any affiliate thereof) (provided that Barclays Bank PLC shall only be required to issue standby letters of credit) and any other Revolving Lender approved by the Administrative Agent and the Parent Borrower that has agreed in its sole discretion to act as an "Issuing Lender" hereunder, or any of their respective affiliates, in each case in its capacity as issuer of any Letter of Credit. Each reference herein to "the Issuing Lender" in connection with a Letter of Credit or other matter shall be deemed to be a reference to the relevant Issuing Lender with respect thereto.

"Junior Priority Commercial Real Estate Debt Investments": (a) all Commercial Real Estate Debt Investments that are not First Priority Commercial Real Estate Debt Investments or Specified Commercial Real Estate Debt Investments and (b) any Specified GAAP Reportable B Loan Transactions that are not Specified Commercial Real Estate Debt Investments, in each case, to the extent held by (i) a

Pledged Loan Party or (ii) an Unlevered Affiliated Investor. For purposes of the definition of "Maximum Permitted Outstanding Amount", a Portfolio consisting entirely of Junior Priority Commercial Real Estate Debt Investments, as defined above (and any Portfolio of First Priority Commercial Real Estate Debt Investments in which greater than 25% of the Adjusted Net Book Value of such Portfolio is classified as Non-Performing Loans), shall be deemed to be a single Junior Priority Commercial Real Estate Debt Investment.

"Junior Priority Commercial Real Estate Investments": collectively, (a) any Junior Priority Commercial Real Estate Debt Investment and (b) any Qualified Levered SPV Capital Stock.

"L/C Cash Collateral Account": as defined in Section 3.1(c).

"L/C Commitment": as to any Issuing Lender, the obligation of such Issuing Lender to issue Letters of Credit pursuant to Section 3 in an aggregate undrawn, unexpired face amount plus the aggregate unreimbursed drawn amount thereof at any time not to exceed the amount set forth under the heading "L/C Commitment" opposite such Issuing Lender's name on Schedule 1.1A or in the Assignment and Assumption pursuant to which such Issuing Lender becomes a party thereto (its "Initial L/C Commitment"), in each case, as the same may be changed from time to time pursuant to the terms hereof; provided, that the amount of any Issuing Lender's L/C Commitment may be (i) increased subject only to the consent of such Issuing Lender and the Parent Borrower (and notified to the Administrative Agent), (ii) decreased, but only to the extent it is not decreased below the Initial L/C Commitment of such Issuing Lender, subject only to the consent of such Issuing Lender and the Parent Borrower (and notified to the Administrative Agent) or (iii) decreased at the option of the Parent Borrower on a ratable basis for each Issuing Lender outstanding at the time of such reduction (and notified to the Issuing Lenders and the Administrative Agent).

"L/C Exposure": at any time, the total L/C Obligations. The L/C Exposure of any Revolving Lender at any time shall be its Multicurrency Revolving Percentage of the total L/C Exposure at such time.

"L/C Obligations": as at any date of determination, the Dollar Equivalent of the aggregate amount available to be drawn under all outstanding Letters of Credit plus the aggregate Dollar Equivalent of all Unreimbursed Amounts. For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.3. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be "outstanding" in the amount so remaining available to be drawn.

"L/C Participants": with respect to any Letter of Credit issued by an Issuing Lender, the collective reference to all the Multicurrency Lenders other than the Issuing Lender with respect to such Letter of Credit.

"Latest Termination Date": February 1, 2023.

"Lender Parent": with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a Subsidiary.

"Lenders": collectively, the Dollar Lenders and the Multicurrency Lenders.

"Letters of Credit": as defined in Section 3.1(a).

"LIBO Rate": with respect to any Eurocurrency Loan in any Eurocurrency Quoted Currency for any Interest Period, a rate per annum equal to the London interbank offered rate as administered by the ICE Benchmark Administration (or any other Person that takes over the administration of such rate) for such Eurocurrency Quoted Currency for a period equal in length to such Interest Period as displayed on pages LIBOR01 or LIBOR02 of the Reuters Screen that displays such rate (or, in the event such rate does not appear on either of such Reuters pages, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion; in each case, the "LIBOR Screen Rate") as of the Specified Time on the Quotation Day for such Interest Period; provided that if the LIBOR Screen Rate as so determined would be less than zero, such rate shall be deemed to be zero for purposes of this Agreement; provided, further, that for any Impacted Interest Period with respect to the LIBOR Screen Rate and a Eurocurrency Quoted Currency, the LIBO Rate shall be the Interpolated Rate at such time (provided that if the Interpolated Rate as so determined would be less than zero, such rate shall be deemed to be zero for purposes of this Agreement).

"LIBOR Screen Rate": as defined in the definition of "LIBO Rate".

"Lien": any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing).

"Listing": as defined in the definition of "Transactions".

"LLC": any Person that is a limited liability company under the laws of its jurisdiction of formation.

"Loan": any loan made by any Lender pursuant to this Agreement.

"Loan Documents": this Agreement, each Subsidiary Borrower Joinder Agreement, the Security Documents, the Notes, the Management Subordination Agreement, the REIT Guaranty (if applicable) and any amendment, waiver, supplement or other modification to any of the foregoing.

"Loan Parties": each Group Member that is a party to a Loan Document.

"Management Agreement": that certain Management Agreement, dated as of January 31, 2018, by and among the Manager, the REIT Entity and the Parent Borrower.

"Management Subordination Agreement": the Management Subordination Agreement, dated as of the Closing Date, among the Parent Borrower, the REIT Entity, the Manager and the Administrative Agent, as the same may be amended, restated, supplemented, modified or replaced after the date of this Agreement solely to the extent such amendment, restatement, supplement, modification or replacement is permitted under Section 7.17.

"Manager": CLNC Manager, LLC, an affiliate of Colony Northstar, in its role as manager of the Parent Borrower.

"Material Adverse Effect": a material adverse effect on (a) the business, property, operations or financial condition of the Parent Borrower and its Subsidiaries taken as a whole or (b) the

validity or enforceability of this Agreement or any of the other Loan Documents or the rights or remedies of the Administrative Agent or the Lenders hereunder or thereunder.

"Material Indebtedness": Indebtedness (other than the Loans) in an aggregate principal amount in excess of $25,000,000.

"Material Subsidiary": any Subsidiary other than an Immaterial Subsidiary.

"Materials of Environmental Concern": any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products, asbestos, polychlorinated biphenyls, urea-formaldehyde insulation, mold, radon, or any substance (whether in gas, liquid or solid form), defined, classified or regulated as hazardous or toxic or as a pollutant, contaminant, or waste (or words of similar meaning), in, or that could give rise to liability under, any Environmental Law.

"Maximum Permitted Increase Amount": the amount by which (x) 150% of the Total Revolving Commitments in effect on the Closing Date exceeds (y) the Total Revolving Commitments in effect on the Closing Date.

"Maximum Permitted Outstanding Amount": at any time, an amount that is equal to (x) during the period from and after the ~~Closing~~Third Amendment Effective Date and prior to the Initial Revolving Termination Date, ~~100~~90% and (y) during the period from and after the Initial Revolving Termination Date when the Parent Borrower has exercised an Extension Option, ~~90~~80%, in each case, of the sum of (it being understood that in no event shall any Investment Asset contribute, directly or indirectly, to the Maximum Permitted Outstanding Amount pursuant to more than one lettered clause below);

(a) with respect to each First Priority Commercial Real Estate Investment, the product of 55% *multiplied* by the Adjusted Net Book Value of such First Priority Commercial Real Estate Investment, plus

(b) with respect to each Junior Priority Commercial Real Estate Investment, the product of 40% *multiplied* by the Adjusted Net Book Value of such Junior Priority Commercial Real Estate Investment, plus

(c) with respect to each Investment Grade CMBS that is wholly-owned by a Pledged Loan Party or an Unlevered Affiliated Investor, the product of 40% *multiplied* by the Adjusted Net Book Value of such Investment Grade CMBS, plus

(d) with respect to each Specified Asset Investment, the product of 30% *multiplied* by the Adjusted Net Book Value of such Specified Asset Investment, plus

(e) with respect to any Existing Private Equity Interests, the product of 30% *multiplied* by the Adjusted Net Book Value of such Existing Private Equity Interests, plus

(f) with respect to each Non-Investment Grade CMBS that is wholly-owned by a Pledged Loan Party or an Unlevered Affiliated Investor, the product of 30% *multiplied* by the Adjusted Net Book Value of such Non-Investment Grade CMBS;

provided that notwithstanding the foregoing, the Maximum Permitted Outstanding Amount shall be subject to the following concentration limits (it being understood that each percentage limitation set forth

in clauses (i) through (viii) below shall be calculated prior to giving effect to any reductions to the Maximum Permitted Outstanding Amount resulting from the application of such percentage limitation):

(i) in no event shall Existing Private Equity Interests contribute more than 15% in the aggregate of the Maximum Permitted Outstanding Amount;

(ii) in no event shall any single Investment Asset (it being understood that the following shall be deemed to be a single Investment Asset for purposes of this clause (ii): (x) any portion of any Portfolio held by a single Person that has (or any Affiliated Investor that directly or indirectly owns such Person has) any Indebtedness outstanding and (y) any cross-collateralized assets that are deemed to be a single Investment Asset pursuant to subsection (xviii) of this proviso or any cross-guaranteed assets) contribute, directly or indirectly, in excess of 10% of the sum of clauses (a) through (f) above;

(iii) Specified Asset Investments shall not contribute more than 30% in the aggregate of the Maximum Permitted Outstanding Amount;

(iv) the sum of (i) Non-Performing Loans and (ii) Preferred Equity Investment with respect to which any dividends required to be paid in cash are in arrears shall not contribute more than 10% in the aggregate of the Maximum Permitted Outstanding Amount;

(v) Investment Assets constituting interests in securitizations shall not contribute more than 20% in the aggregate of the Maximum Permitted Outstanding Amount;

(vi) not less than 95% of the Maximum Permitted Outstanding Amount shall be attributable to Investment Assets having an Investment Location in a Qualifying Location;

(vii) Eligible CRE Development Investments shall not contribute more than 15% in the aggregate of the Maximum Permitted Outstanding Amount; and

(viii) Qualified Non-Pledged Assets shall not contribute more than 15% in the aggregate of the Maximum Permitted Outstanding Amount; provided that, Qualified Non-Pledged Assets that do not constitute Existing Private Equity Interests shall not contribute more than 10% in the aggregate of the Maximum Permitted Outstanding Amount;

provided, further, that the following additional restrictions shall apply to the calculation of the Maximum Permitted Outstanding Amount:

(1) no Investment Asset shall contribute, directly or indirectly, to the Maximum Permitted Outstanding Amount if (x) any Affiliated Investor that directly or indirectly owns such Investment Asset is in default with respect to any of its Indebtedness that is material in relation to the value of such Investment Asset or (y) such Investment Asset (or the real estate to which such Investment Asset relates) is the subject of any proceedings under any Debtor Relief Law at such time;

(2) no Investment Asset securing any Warehouse Facility shall contribute, directly or indirectly, to the Maximum Permitted Outstanding Amount for so long as such Investment Asset secures any Warehouse Facility;

(3) the Adjusted Net Book Value used in the calculations set forth in clauses (a) through (f) above with respect to any Investment Asset that is owned, directly or indirectly, by

any Excluded Foreign Subsidiary (including, for the avoidance of doubt, any Foreign Borrower that is an Excluded Foreign Subsidiary) shall be limited to 66-⅔% of the Adjusted Net Book Value of such Investment Asset unless the Parent Borrower has otherwise caused all of the Capital Stock in such Foreign Subsidiary to be pledged pursuant to the Guarantee and Collateral Agreement;

(4) in no event shall any Investment Asset that does not satisfy the Qualifying Criteria contribute, directly or indirectly, to the Maximum Permitted Outstanding Amount;

(5) in no event shall any Commercial Real Estate Debt Investment that is secured by undeveloped land or land under development (including land loans and construction loans), or any Commercial Real Estate Ownership Investment in such land, contribute directly or indirectly to the Maximum Permitted Outstanding Amount unless such Commercial Real Estate Debt Investment or Commercial Real Estate Ownership Investment, as applicable, is associated with a development plan and valid land use permits have been issued in connection therewith ("Eligible CRE Development Investments"); and

(6) to the extent that any Non-Recourse Indebtedness secured pursuant to Section 7.3(j) is secured by more than one Investment Asset, (i) the Investment Assets securing such Non-Recourse Indebtedness shall be treated as a single Investment Asset for purposes of calculating the Maximum Permitted Outstanding Amount and (ii) to the extent that such Investment Assets are subject to different advance rates pursuant to clauses (a) through (f) above, the lowest advance rate shall apply.

"Moody's": Moody's Investors Service, Inc. and its successors.

"Multicurrency Commitment": with respect to each Multicurrency Lender, the aggregate amount of each Lender's Multicurrency Commitment is set forth on Schedule 1.1A, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Multicurrency Commitment, as applicable, as the same may be changed from time to time pursuant to the terms hereof. The aggregate amount of the Lenders' Multicurrency Commitments as of the ~~Second~~Third Amendment Effective Date is $~~560,000,000~~450,000,000.

"Multicurrency Lender": each Person listed on Schedule 1.1A as having a Multicurrency Commitment and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption that provides for it to assume a Multicurrency Commitment or to acquire Revolving Multicurrency Extensions of Credit, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption or otherwise in accordance with the terms hereof.

"Multicurrency Loan": with respect to a Borrower, a Loan denominated in Dollars or an Agreed Foreign Currency made to such Borrower under the Multicurrency Commitments with respect to such Borrower.

"Multicurrency Revolving Percentage": as to any Multicurrency Lender at any time, the percentage which such Multicurrency Lender's Multicurrency Commitment then constitutes of the Total Multicurrency Commitments or, at any time after the Multicurrency Commitments shall have expired or terminated, the percentage which the Dollar Equivalent of the aggregate principal amount of such Multicurrency Lender's Multicurrency Loans then outstanding constitutes of the Dollar Equivalent of the aggregate principal amount of the Multicurrency Loans then outstanding.

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

"Net Cash Proceeds": in connection with any issuance or sale of Capital Stock or any incurrence of Indebtedness, the cash proceeds (including Cash Equivalents) received from such issuance or incurrence (excluding, in the case of any issuance in exchange for the contribution of any Investment Asset, any incidental cash or Cash Equivalents associated with such Investment Asset), net of attorneys' fees, investment banking fees, accountants' fees, underwriting discounts and commissions, taxes paid or reasonably estimated to be payable, and other customary fees and expenses actually incurred in connection therewith that are actually received by (x) a Loan Party or (y) a Subsidiary that is not a Loan Party to the extent such cash proceeds are distributable to a Loan Party (but only as and when distributable) and not otherwise required pursuant to the terms of such issuance of Capital Stock to be applied to the acquisition of any Investment Asset.

~~"New Lender": as defined in Section 2.19(b).~~

~~"New Lender Supplement": as defined in Section 2.19(b).~~

"New Subsidiary": as defined in Section 6.10(c).

"Non-Investment Grade CMBS": any CMBS, other than any Investment Grade CMBS, having a rating of Ba3 or BB- (or the equivalent with a stable or better outlook) or higher by at least two Rating Agencies (it being acknowledged that such securities may also have a lower rating from, or may not be rated by, one Rating Agency).

"Non-Performing Loan": as of any date of determination, any accruing Commercial Real Estate Debt Investment (x) past due by 90 or more days, (y) on non-accrual status or (z) with respect to which there is a payment default and any applicable grace period has expired.

"Non-Qualifying Location": each location that is not a Qualifying Location.

"Non-Recourse Indebtedness": Indebtedness of a Person as to which no Loan Party (a) provides any Guarantee Obligation or credit support of any kind (including any undertaking, Guarantee Obligation, indemnity, agreement or instrument that would constitute Indebtedness) or (b) is directly or indirectly liable (as a guarantor or otherwise), in each case except for (i) customary exceptions for bankruptcy filings, fraud, misrepresentation, misapplication of cash, waste, failure to pay taxes, environmental claims and liabilities, prohibited transfers, violations of single purpose entity covenants, and other circumstances customarily excluded from exculpation provisions and/or included in separate guaranty or indemnification agreements in non-recourse or tax-exempt financings of real estate and (ii) the direct parent company of the primary obligor in respect of the Indebtedness may provide a limited pledge of the equity of such obligor to secure such Indebtedness so long as the lender in respect of such Indebtedness has no other recourse (except as permitted pursuant to the immediately preceding clause (i)) to such direct parent company except for such equity pledge (such pledge, a "Non-Recourse Pledge").

"Non-Recourse Pledge": as defined in the definition of "Non-Recourse Indebtedness".

"Non-U.S. Lender": (a) if the applicable Borrower is a U.S. Person, a Lender, with respect to such Borrower, that is not a U.S. Person, and (b) if the applicable Borrower is not a U.S. Person, a Lender, with respect to such Borrower, that is resident or organized under the laws of a jurisdiction other than that in which such Borrower is resident for tax purposes.

"Non Wholly-Owned Consolidated Affiliate": each Consolidated Subsidiary of the Parent Borrower 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 Parent Borrower.

"NorthStar I": NorthStar Real Estate Income Trust, Inc., a Maryland corporation.

"NorthStar II": NorthStar Real Estate Income II, Inc., a Maryland corporation.

"Notes": the collective reference to any promissory note evidencing Loans.

"Notice of Designation": as defined in Section 2.21(a)(i).

"NYFRB": the Federal Reserve Bank of New York.

"NYFRB Rate": for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); provided that if none of such rates are published for any day that is a Business Day, the term "NYFRB Rate" means the rate for a federal funds transaction quoted at 11:00 a.m. on such day received by the Administrative Agent from a Federal funds broker of recognized standing selected by it; provided, further, that if any of the aforesaid rates as so determined would be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"Objecting Lender": as defined in Section 2.21(d).

"Obligations": (i) the unpaid principal of and interest on (including interest accruing after the maturity of the Loans and Reimbursement Obligations and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to any Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans, the Reimbursement Obligations and all other obligations and liabilities of the Borrowers to the Secured Parties, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other Loan Document, the Letters of Credit, any Secured Swap Agreement or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all fees, charges and disbursements of counsel to the Administrative Agent or to any Lender that are required to be paid by the Borrowers pursuant hereto) or otherwise and (ii) all indebtedness, liabilities, duties, indemnities and obligations of any Loan Party owing to JPMorgan Chase Bank, N.A. or any Affiliate of JPMorgan Chase Bank, N.A. in connection with or relating to any Distribution Account maintained by such Loan Party at JPMorgan Chase Bank, N.A. or such Affiliate, including, without limitation, those arising under all instruments, agreements or other documents executed in connection therewith or relating thereto; provided that, with respect to any Subsidiary Guarantor, "Obligations" shall exclude any Excluded Swap Obligations of such Subsidiary Guarantor.

"Organizational Documents": as to any Person, the Certificate of Incorporation and Bylaws or other organizational or governing documents of such Person.

"Other Connection Taxes": with respect to any Credit Party, Taxes imposed as a result of a present or former connection between such Credit Party (or any direct or indirect investor therein) and the jurisdiction imposing such Tax (other than connections arising from such Credit Party having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to, or enforced, any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes": all present or future stamp, court, or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.17).

"Overnight Bank Funding Rate": for any day, the rate comprised of both overnight federal funds and overnight Dollar borrowings by U.S.-managed banking offices of depository institutions (as such composite rate shall be determined by the NYFRB as set forth on its public website from time to time) and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate (from and after such date as the NYFRB shall commence to publish such composite rate).

"Participant": as defined in Section 10.6(c).

"Participant Register": as defined in Section 10.6(c).

"Participating Member State": any member state of the European Union that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Union relating to economic and monetary union.

"Payment in Full": with respect to any Obligations, that each of the following shall have occurred: (a) the payment in full in cash of all such Obligations (other than (i) contingent indemnification obligations to the extent no claim giving rise thereto has been asserted, and (ii) Obligations of the Loan Parties under any Secured Swap Agreement that, by its terms or in accordance any consent obtained from the counterparty thereto, is not required to be terminated in connection with the termination of the Loan Documents), (b) the termination or expiration of all of the Revolving Commitments and (c) no Letters of Credit shall be outstanding.

"PBGC": the Pension Benefit Guaranty Corporation established pursuant to ERISA and any successor entity performing similar functions.

"Pension Plan": any Plan subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA.

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

"Permitted Warehouse Borrower": as defined in the definition of "Permitted Warehouse Indebtedness".

"Permitted Warehouse Equity Pledge" : as defined in the definition of "Permitted Warehouse Indebtedness".

"Permitted Warehouse Indebtedness": Warehouse Indebtedness incurred directly by any Subsidiary that is not a Loan Party (a "Permitted Warehouse Borrower"), and, to the extent guaranteed, is guaranteed only by a Domestic Loan Party (except that the direct parent company of a Permitted Warehouse Borrower may provide a limited pledge of the equity of such Permitted Warehouse Borrower to secure the Permitted Warehouse Indebtedness so long as the lender in respect of such Warehouse Indebtedness has no other recourse (other than the rights described in clause (b) of the definition of Non-Recourse Indebtedness) to such direct parent company except for such pledge (any such pledge, a

"Permitted Warehouse Equity Pledge"); provided, however, that the excess (determined as of the most recent date for which internal financial statements are available), if any, of (x) the amount of any such Warehouse Indebtedness for which the holder thereof has contractual recourse to the Parent Borrower or its Subsidiaries to satisfy claims with respect to such Warehouse Indebtedness over (y) the aggregate (without duplication of amounts) realizable value of the assets which secure such Warehouse Indebtedness, shall not be Permitted Warehouse Indebtedness. For purposes of this definition, "realizable value" of an asset means (i) with respect to any REO Asset, the value realizable upon the disposition of such asset as determined by the Parent Borrower in its reasonable discretion and consistent with customary industry practice and (ii) with respect to any other asset, the lesser of (x) the face value of such asset and (y) the market value of such asset as determined in accordance with the agreement governing the applicable Warehouse Indebtedness; provided, however, that the realizable value of any asset described in clause (i) or (ii) above for which an unaffiliated third party has a binding contractual commitment to purchase from the Parent Borrower or a Subsidiary shall be the minimum price payable to the Parent Borrower or such Subsidiary for such asset pursuant to such contractual commitment.

"Person": an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Plan": any employee benefit plan as defined in Section 3(3) of ERISA, including any employee welfare benefit plan (as defined in Section 3(1) of ERISA), any employee pension benefit plan (as defined in Section 3(2) of ERISA but excluding any Multiemployer Plan), and any plan which is both an employee welfare benefit plan and an employee pension benefit plan, and in respect of which any Group Member or any ERISA Affiliate is (or, if such Plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Pledged Affiliate": a corporation, limited liability company, partnership or other legal entity which is not a Domestic Loan Party in which a Domestic Loan Party directly owns all or a portion of its equity interests, in each case so long as (i) all of the equity interests owned by such Domestic Loan Party (or, in the case of an Excluded Foreign Subsidiary (including, for the avoidance of doubt, any Foreign Borrower that is an Excluded Foreign Subsidiary), 66-⅔% of the total voting equity interests owned by such Domestic Loan Party) in such Person are pledged as Collateral in favor of the Administrative Agent, for the benefit of the Secured Parties, pursuant to the Security Documents and (ii) such Domestic Loan Party Controls such Person.

"Pledged Loan Party": each Domestic Loan Party, so long as all of the equity interests in such Domestic Loan Party are pledged as Collateral in favor of the Administrative Agent, for the benefit of the Secured Parties, pursuant to the Security Documents.

"Portfolio": a group of Investment Assets purchased by the Parent Borrower on the same date from the same seller in one or a series of related transactions.

"Pounds Sterling": the lawful currency of England.

"Preferred Equity Investment": a preferred equity investment held by a Pledged Loan Party or an Affiliated Investor in a Person that (x) is not (except by virtue of such investment) an Affiliate of any Loan Party, and (y) owns one or more Commercial Real Estate Debt Investments and/or Commercial Real Estate Ownership Investments, so long as the documents governing the terms of such preferred equity investment include the following provisions:

(i) (A) defined requirements for fixed, periodic cash distributions to be paid to the Pledged Loan Party or Affiliated Investor that owns such preferred equity investment in order to provide a fixed return to such Pledged Loan Party or Affiliated Investor on the then unreturned amount of its investment related thereto, with such distributions being required to be paid prior to any distribution, redemption and/or payments being made on or in respect of any other Capital Stock of the issuer of such preferred equity investment, (B) a requirement that proceeds derived from or in connection with (1) any liquidation or dissolution of the issuer of such preferred equity investment, (2) any direct or indirect sale, transfer, conveyance or other disposition, in one or a series of related transactions, of all or substantially all of the assets of the issuer of such preferred equity investment or (3) any loss, damage to or any destruction of, or any condemnation or other taking of, all or substantially all of the assets of the issuer of such preferred equity investment, including any proceeds received from insurance policies or condemnation awards in connection therewith, shall, in the case of each of subclauses (1) through (3) of this clause (B), be paid to such Pledged Loan Party or Affiliated Investor until such Pledged Loan Party or Affiliated Investor has received an amount equal to the then unreturned amount of its investment related to such preferred equity investment (plus the accrued and unpaid return due and payable thereon) prior to any distribution, redemption and/or payments being made from any such proceeds on or in respect of any other Capital Stock of the issuer of such preferred equity investment and (C) upon the failure of the issuer of such preferred equity investment to comply with the provisions described above in this clause (i) it shall be a default and such Pledged Loan Party or Affiliated Investor shall be entitled to exercise any or all of the remedies described in clauses (ii) and (iii) below;

(ii) a defined maturity date or mandatory redemption date for such preferred equity investment (excluding any maturity resulting from an optional redemption by the issuer thereof), upon which it is a default if the then unreturned amount of the investment made by such Pledged Loan Party or Affiliated Investor in respect thereof (plus the accrued and unpaid return due and payable thereon) is not immediately repaid to the applicable Pledged Loan Party or Affiliated Investor (and upon such default, in addition to the other remedies enumerated below in clause (iii), the holder of such preferred equity investment is entitled to take control of the issuer thereof and, thereafter, all dividends and distributions by such issuer shall be paid to the holders of the preferred equity investment until the entire unreturned amount of the investment made by such Pledged Loan Party or Affiliated Investor in respect thereof plus all accrued and unpaid return due and payable thereon has been paid to the holders of the preferred equity investment and no distribution, redemption and/or payments shall be made on or in respect of any other equity interest or Capital Stock of the issuer of such preferred equity investment); and

(iii) default remedies that (A) permit the holders of the preferred equity investment to make any and all decisions formerly reserved to (1) holders of the equity interests or Capital Stock (other than such preferred equity investment), or (2) the board of directors or managers (or a similar governing body) of the issuer of such preferred equity investment, including with respect to the sale of all or any part of the Capital Stock or assets of the issuer of such preferred equity investment, and (B) provide for the elimination of all material consent, veto or similar decision making rights afforded to (1) any holders of the capital stock or Capital Stock (other than such preferred equity investment), or (2) the board of directors or managers (or a similar governing body), of such issuer, provided that such decisions (in the case of clause (A) above) and such consent, veto or similar decision making rights (in the case of clause (B) above) could reasonably be expected to restrict the ability of, compromise or delay the holders of the preferred equity investment from realizing upon and paying from the Capital Stock or the assets of the issuer of the preferred equity investment all amounts due and payable with respect to the preferred equity investment.

"Preferred Equity Issuer": a Person in which a Pledged Loan Party or an Affiliated Investor makes a Preferred Equity Investment.

"Prime Rate": the rate of interest last quoted by The Wall Street Journal as the "Prime Rate" in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as determined by the Administrative Agent). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

"Pro Forma Financial Statements": as defined in Section 5.1(c).

"Proceeding": as defined in Section 10.5.

"Prohibited Transaction": as defined in Section 406 of ERISA and Section 4975(c) of the Code.

"Projections": as defined in Section 6.2(c).

"Properties": the facilities and properties owned, leased or operated by any Group Member.

"Proposed Foreign Subsidiary Borrower": as defined in Section 2.21(d).

"PTE": a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"QFC": as defined in, and interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

"QFC Credit Support": as defined in Section 10.23.

"Qualified CMBX Contract": on any date of determination, any CMBX Contract held by the Parent Borrower or any of its Consolidated Subsidiaries if the aggregate notional value of all such CMBX Contracts held by the Parent Borrower and its Consolidated Subsidiaries equals or exceeds 5.0% of the Total Asset Value of the Parent Borrower and its Consolidated Subsidiaries.

"Qualified Investment Asset": an Investment Asset which contributes to the calculation of the Maximum Permitted Outstanding Amount.

"Qualified Levered SPV Affiliated Investor": an Affiliated Investor that is not an Unlevered Affiliated Investor and directly owns only First Priority Commercial Real Estate Debt Investments or Portfolios of First Priority Commercial Real Estate Debt Investments, so long as the aggregate amount of Indebtedness (other than Indebtedness incurred pursuant to the Loan Documents) outstanding of such Affiliated Investor and all Affiliated Investors that, directly or indirectly, hold Capital Stock of such Affiliated Investor does not exceed 65% of the aggregate Adjusted Net Book Value of the Investment Assets of such Affiliated Investor; provided that, solely for purposes of this definition, a Portfolio otherwise constituting a First Priority Commercial Real Estate Debt Investment may include Junior Priority Commercial Real Estate Debt Investments of up to 5% of the Adjusted Net Book Value of such Portfolio. An Affiliated Investor shall not be a Qualified Levered SPV Affiliated Investor if it owns any Specified Levered SPV Investments.

"Qualified Levered SPV Capital Stock": all of the Capital Stock held, directly or indirectly, by any Pledged Loan Party in any Qualified Levered SPV Affiliated Investor.

"Qualified Non-Pledged Asset": any Investment Asset that is subject to limitations that prohibit the direct and indirect pledge of equity interests in such Investment Asset, but which otherwise satisfies the Qualifying Criteria. Notwithstanding anything to the contrary set forth in this Agreement or any other Loan Document, including as set forth in the definition of Investment Asset or any component definition thereof, a Qualified Non-Pledged Asset shall be held (and shall be permitted to be held) directly by an Affiliated Holder and shall not be required to be held by a Pledged Loan Party, Pledged Affiliate or Affiliated Investor.

"Qualifying Criteria": with respect to any Investment Asset the requirements that:

(A) such Investment Asset is owned (1) with respect to any Investment Asset other than a Qualified Non-Pledged Asset, directly or indirectly by a Pledged Loan Party or a Pledged Affiliate and (2) with respect to any Qualified Non-Pledged Asset, directly by an Affiliated Holder,

(B) with respect to any Investment Asset other than a Qualified Non-Pledged Asset, the Pledged Loan Party or Affiliated Investor that owns the Investment Asset and each other Loan Party or Affiliated Investor that directly or indirectly owns any Capital Stock in such Pledged Loan Party or Affiliated Investor shall (1) except as otherwise permitted hereunder with respect to any encumbered Commercial Real Estate Ownership Investment (as described in the definition of Specified Asset Investments), Qualified Levered SPV Capital Stock, Specified Levered SPV Investment or Specified Levered SPV Capital Stock, have no Indebtedness (other than (x) the Obligations, (y) any other Indebtedness incurred by the Parent Borrower in accordance with Section 7.2(g) and (z) any intercompany obligations owing to the Parent Borrower or any Subsidiary) outstanding at such time, (2) be Solvent at such time, (3) not be subject to any proceedings under any Debtor Relief Law at such time and (4) other than in the case of any Pledged Loan Party or any Pledged Affiliate, be Controlled by a Pledged Affiliate,

(C) with respect to any Qualified Non-Pledged Asset, each Affiliated Holder that directly or indirectly owns the Qualified Non-Pledged Asset shall (1) have no Indebtedness (other than (x) the Obligations and (y) any intercompany obligations owing to the Parent Borrower or any Subsidiary that is a Subsidiary Guarantor) outstanding at such time, (2) be Solvent at such time, (3) not be subject to any proceedings under any Debtor Relief Law at such time and (4) be Controlled by a Subsidiary that is a Subsidiary Guarantor,

(D) Adjusted Net Book Value with respect to such Investment Asset shall be included in the calculation of the Maximum Permitted Outstanding Amount only to the extent that there are no contractual or legal prohibitions on the making of dividends, distributions or other payments that, as in effect on any date of determination, are effective to prevent dividends, distributions or other payments from the applicable Investment Asset to, directly or indirectly, a Domestic Loan Party (it being understood that reasonable or customary limitations associated with the timing of distributions or requirements associated with the retention of funds by an Affiliated Investor for the purpose of maintaining working capital, liquidity, reserves or otherwise satisfying funding needs in respect of an Investment Asset shall in any event not constitute prohibitions on dividends, distributions or other payments hereunder),

(E) except in connection with Indebtedness permitted hereunder with respect to any encumbered Commercial Real Estate Ownership Investment (as described in the definition of Specified Asset Investments), Qualified Levered SPV Capital Stock, Specified Levered SPV Investment or

Specified Levered SPV Capital Stock, such Investment Asset (excluding, for the avoidance of doubt, any real estate to which such Investment Asset relates and Liens encumbering the assets of any Equity Investment Asset Issuer) shall not be, directly or indirectly, encumbered by any Lien (other than a Lien arising under a Loan Document) at such time, and

(F) no Investment Asset shall contribute, directly or indirectly, to the Maximum Permitted Outstanding Amount unless (1) each direct or indirect owner of such asset required to be a Subsidiary Guarantor pursuant to the terms of the Loan Documents shall have been made a Subsidiary Guarantor (and, for the avoidance of doubt, at least one direct or indirect owner of such asset shall be made a Pledged Loan Party or Pledged Affiliate (or, with respect to any Qualified Non-Pledged Assets, a Subsidiary Guarantor)), (2) except with respect to Qualified Non-Pledged Assets, each Domestic Borrower and each such Subsidiary Guarantor shall have granted to the Administrative Agent, for the benefit of the Lenders, a first priority perfected security interest in the assets associated with the applicable Investment Asset that are required to be subject to the Lien created by any of the Security Documents, in accordance with the conditions contained in Section 5.1 hereof, Section 6.10 hereof and the Security Documents (including, for the avoidance of doubt (and notwithstanding anything to the contrary set forth in Section 6.10 or the Security Documents) 100% of the Capital Stock of the Affiliated Investor or Pledged Loan Party, as applicable (or, solely with respect to an Excluded Foreign Subsidiary (including, for the avoidance of doubt, any Foreign Borrower that is an Excluded Foreign Subsidiary), 66-⅔% of the Capital Stock of such Excluded Foreign Subsidiary) that holds such Investment Asset or of a direct or indirect parent thereof) and (3) the obligations pursuant to Section 6.14 hereof with respect to such Investment Asset are satisfied.

"Qualifying Location": each of the U.S. (including Puerto Rico), Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, Netherlands, Norway, Spain, Sweden, Switzerland and United Kingdom; provided, however, that in the case of any Existing Private Equity Interests, Qualifying Location shall also include Bermuda, Cayman Islands and Mauritius.

"Quotation Day": with respect to any Interest Period, (i) if the Currency is Pounds Sterling, the first day of such Interest Period, (ii) if the Currency is Euros, two TARGET Days before the first day of such Interest Period, and (iii) for any other Currency, two Business Days prior to the first day of such Interest Period, unless, in each case, market practice differs in the relevant market where the rate of interest for such Currency is to be determined, in which case the Quotation Day will be determined by the Administrative Agent in accordance with market practice in such market (and if quotations would normally be given on more than one day, then the Quotation Day will be the last of those days).

"Rating Agency": each of Fitch, Moody's and S&P.

"Reference CMBS": with respect to any Qualified CMBX Contract, the relevant CMBX Index subject to such Qualified CMBX Contract.

"Register": as defined in Section 10.6(b).

"Regulation U": Regulation U of the Board as in effect from time to time.

"Reimbursement Obligation": the obligation of a Borrower to reimburse an Issuing Lender pursuant to Section 3.5 for amounts drawn under Letters of Credit.

"REIT": a "real estate investment trust" as defined in Section 856(a) of the Code.

"REIT Entity": Colony Credit Real Estate, Inc., a Maryland corporation.

"REIT Guaranty": a guaranty in form and substance substantially similar to the guarantee contained in Section 2 of the Guarantee and Collateral Agreement, to be entered into by the REIT Entity pursuant to which the REIT Entity shall guarantee the Obligations; provided that recourse under such guaranty shall only be available upon the occurrence of an Event of Default pursuant to Section 8(l) hereof.

"REO Asset": with respect to any Person, any real property owned by such Person and acquired as a result of the foreclosure or other enforcement of a Lien on such asset securing a loan or other mortgage-related receivable.

"Reportable Event": any of the events set forth in Section 4043(c) of ERISA or the regulations issued thereunder, with respect to a Pension Plan, other than those events as to which notice is waived pursuant to DOL Reg. Section 4043 as in effect on the date hereof (no matter how such notice requirement may be changed in the future).

"Required Lenders": the holders of more than 50% of (x) until the Closing Date, the Revolving Commitments then in effect and (y) thereafter, the sum of the Total Revolving Commitments then in effect or, if the Revolving Commitments have been terminated, the Total Revolving Extensions of Credit then outstanding, subject to Section 2.18(b).

"Requirement of Law": as to any Person, any law (including common law), code, statute, ordinance, treaty, rule, regulation, decree, order or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Responsible Officer": as to any Person, the chief executive officer, president, vice president, chief financial officer or treasurer of such Person, but in any event, with respect to financial matters, the chief financial officer or treasurer of such Person.

"Resolution Authority": an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Restricted Investment": an Investment by any Domestic Loan Party in an Investment Asset in respect of which (a) as a result of the operation of clause (iv) of the proviso to Section 3.1 of the Guarantee and Collateral Agreement, the Administrative Agent, on behalf the Lenders, does not have (or, after the making thereof, will not have), a direct or indirect pledge of Capital Stock associated with such Investment Asset (it being understood that the pledge of the Capital Stock of any Upper Tier Issuer (as defined in the Guarantee and Collateral Agreement) that indirectly owns such Investment Asset will constitute an indirect pledge for purposes of this clause (a)) and (b) at the time such Investment Asset is initially acquired, the sum of the Total Revolving Extensions of Credit outstanding *plus* the Total CMBX Termination Liability exceeds 90% of the Maximum Permitted Outstanding Amount immediately after giving effect to the acquisition of such Investment Asset. For clarity, an Investment made in respect of an existing Investment Asset pursuant to pre-existing funding obligations shall not constitute a Restricted Investment.

"Restricted Payments": as defined in Section 7.6.

"Revaluation Date" shall mean (a) with respect to any Loan denominated in any Agreed Foreign Currency, each of the following: (i) the date of the Borrowing of such Loan and (ii) each date of a

conversion into or continuation of such Loan pursuant to the terms of this Agreement; (b) with respect to any Letter of Credit denominated in an Agreed Foreign Currency, each of the following: (i) the date on which such Letter of Credit is issued, (ii) the first Business Day of each calendar month and (iii) the date of any amendment of such Letter of Credit that has the effect of increasing the face amount thereof; and (c) any additional date as the Administrative Agent may determine at any time when an Event of Default exists.

"Revolving Commitment": as to any Lender, such Lender's Dollar Commitment, Multicurrency Commitment or a combination thereof, as the context may require.

"Revolving Commitment Period": the period from and including the Closing Date to the Revolving Termination Date.

"Revolving Dollar Extensions of Credit": with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender's Loans made or incurred under such Lender's Dollar Commitments.

"Revolving Extensions of Credit": as to any Revolving Lender at any time, an amount equal to the sum of (a) the aggregate principal amount of all Revolving Dollar Extensions of Credit held by such Lender then outstanding and (b) the aggregate principal amount of all Revolving Multicurrency Extensions of Credit held by such Lender then outstanding.

"Revolving Facility": the Revolving Commitments and the extensions of credit made thereunder.

"Revolving Lender": each Lender that has a Revolving Commitment or that holds Revolving Loans.

"Revolving Loans": Dollar Loans and/or Multicurrency Loans, together or individually, as context requires.

"Revolving Multicurrency Extensions of Credit": with respect to any Lender at any time, the sum of the Dollar Equivalent of the outstanding principal amount of such Lender's Loans made or incurred under such Lender's Multicurrency Commitments *plus* such Lenders' L/C Exposure.

"Revolving Percentage": as to any Revolving Lender at any time, the aggregate percentage which the sum of such Lender's Dollar Commitment and Multicurrency Commitment then constitutes of the Total Revolving Commitments or, at any time after the Revolving Commitments shall have expired or terminated, the percentage which the Dollar Equivalent of the sum of the aggregate principal amount of such Lender's Dollar Loans and Multicurrency Loans then outstanding constitutes of the Dollar Equivalent of the aggregate principal amount of the Revolving Loans then outstanding; provided, that, in the event that the Loans are paid in full prior to the reduction to zero of the Total Revolving Extensions of Credit, the Revolving Percentage shall be determined in a manner designed to ensure that the other outstanding Revolving Extensions of Credit shall be held by the applicable Revolving Lenders on a comparable basis. Notwithstanding the foregoing, in the case of Section 2.18 when a Defaulting Lender shall exist, Revolving Percentages shall be determined without regard to any Defaulting Lender's Revolving Commitment.

"Revolving Termination Date": (i) until the exercise by the Parent Borrower of an Extension Option in accordance with and subject to the terms and conditions of Section 2.20, the Initial Revolving Termination Date and (ii) thereafter, the Extended Termination Date.

"S&P": Standard & Poor's Financial Services LLC and its successors.

"Sanctioned Country": at any time, a country, region or territory which is itself the subject or target of any Sanctions (as of the Closing Date, the Crimea region of Ukraine, Cuba, Iran, North Korea, Republic of Sudan and Syria).

"Sanctioned Person": at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, or by the United Nations Security Council, the European Union, any European Union member state or Her Majesty's Treasury of the United Kingdom, (b) any Person operating, organized or resident in a Sanctioned Country, (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b) or (d) any Person otherwise the subject of any Sanctions.

"Sanctions": economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any European Union member state, Her Majesty's Treasury of the United Kingdom or other relevant sanctions authority.

"Screen Rate": the LIBOR Screen Rate and the EURIBOR Screen Rate, collectively and individually as context may require.

"SEC": the Securities and Exchange Commission, any successor thereto and any analogous Governmental Authority.

"Second Amendment": the Second Amendment to this Agreement, dated as of the Second Amendment Effective Date.

"Second Amendment Effective Date": December 17, 2018.

"Second Currency": as defined in Section 10.22.

"Secured Parties": collectively, the Administrative Agent, the Lenders, any affiliate of the foregoing, the Swap Banks and each co-agent or sub-agent appointed by the Administrative Agent from time to time pursuant to Section 9.2.

"Secured Swap Agreement": any Swap Agreement permitted under Section 7.11 that is entered into by and between the Parent Borrower or any other Loan Party and any Swap Bank, to the extent designated by the Parent Borrower and such Swap Bank as a "Secured Swap Agreement" in writing to the Administrative Agent within ten (10) Business Days of the date such Swap Agreement is entered into (or such later time as may be permitted by the Administrative Agent) (for the avoidance of doubt, the Parent Borrower and any Swap Bank may designate all transactions under a single master agreement between such parties as a "Secured Swap Agreement" without the need to deliver separate notices for each individual transaction). The designation of any Secured Swap Agreement shall not create in favor of such Swap Bank any rights in connection with the management or release of Collateral or of the obligations of any Subsidiary Guarantor under the Loan Documents.

"Security Documents": the collective reference to the Guarantee and Collateral Agreement, any Control Agreement and all other security documents hereafter delivered to the

Administrative Agent granting or perfecting (or purporting to grant or perfect) a Lien on any property of any Person to secure the obligations and liabilities of any Loan Party under any Loan Document.

"Solvent": when used with respect to any Person, means that, as of any date of determination, (a) the amount of the "present fair saleable value" of the assets of such Person will, as of such date, exceed the amount of all "liabilities of such Person, contingent or otherwise", as of such date, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, (b) the present fair saleable value of the assets of such Person will, as of such date, be greater than the amount that will be required to pay the liability of such Person on its debts as such debts become absolute and matured, (c) such Person will not have, as of such date, an unreasonably small amount of capital with which to conduct its business, and (d) such Person will be able to pay its debts as they mature. For purposes of this definition, (i) "debt" means liability on a "claim", and (ii) "claim" means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured.

"Specified Asset Investments": collectively, (a) any encumbered Commercial Real Estate Ownership Investment (excluding land) that is owned by an Affiliated Investor and any unencumbered Commercial Real Estate Ownership Investment in land that is owned by an Unlevered Affiliated Investor, (b) Preferred Equity Investments to the extent held by a Pledged Loan Party or an Unlevered Affiliated Investor, (c) any Specified Commercial Real Estate Debt Investment, (d) any Specified Levered SPV Investment and (e) any Specified Levered SPV Capital Stock.

"Specified Commercial Real Estate Debt Investment": any (x) Portfolio otherwise constituting a Junior Priority Commercial Real Estate Debt Investment (for clarity, excluding any Investment Asset classified as a Junior Priority Commercial Real Estate Debt Investment pursuant to clause (ii) to the proviso to the definition of First Priority Commercial Real Estate Debt Investment) in which greater than 10% of the Adjusted Net Book Value of such Portfolio is classified as Non-Performing Loans (it being understood, for the avoidance of doubt, that any single Investment Asset otherwise constituting a Junior Priority Commercial Real Estate Debt Investment that is a Non-Performing Loan shall not constitute a Specified Commercial Real Estate Debt Investment and shall not contribute to the Maximum Permitted Outstanding Amount)~~.~~ and (y) any Junior Priority Commercial Real Estate Debt Investment consisting of a Specified GAAP Reportable B Loan Transaction in which greater than 10% of the Adjusted Net Book Value of the underlying Investment Assets are comprised of Non-Performing Loans.

"Specified Currency": as defined in Section 10.22.

"Specified GAAP Reportable B Loan Transaction": a transaction involving either (i) the sale by the Parent Borrower, any Subsidiary or any Affiliated Investor of the portion of an Investment Asset consisting of an "A-Note", and the retention by the Parent Borrower, its Subsidiaries and the Affiliated Investors 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 Parent Borrower, any of its Subsidiaries or any Affiliated Investor 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 Parent Borrower's consolidated balance sheet as assets and liabilities, respectively.

"Specified Levered SPV Capital Stock": all of the Capital Stock held, directly or indirectly, by any Pledged Loan Party in any Affiliated Investor that would otherwise qualify as a Qualified Levered SPV Affiliated Investor but for the fact that the aggregate amount of Indebtedness (other than Indebtedness incurred pursuant to this Agreement or any Loan Document) outstanding of such Affiliated Investor and all Affiliated Investors that, directly or indirectly, hold Capital Stock of such Affiliated Investor exceeds 65% of the aggregate Adjusted Net Book Value of the Investment Assets of such Affiliated Investor.

"Specified Levered SPV Investment": any Portfolio otherwise constituting a First Priority Commercial Real Estate Debt Investment held by an Affiliated Investor that would otherwise qualify as a Qualified Levered SPV Affiliated Investor in which greater than 25% of the Adjusted Net Book Value of such Portfolio is classified as Non-Performing Loans (it being understood, for the avoidance of doubt, that any single Investment Asset held by an Affiliated Investor that would otherwise qualify as a Qualified Levered SPV Affiliated Investor that is a Non-Performing Loan shall not qualify as a Specified Levered SPV Investment and shall not contribute to the Maximum Permitted Outstanding Amount).

"Specified Place": As defined in Section 10.22.

"Specified Subsidiary": as defined in Section 10.14(d).

"Specified Time": 11:00 a.m., London time.

"Statutory Reserve Requirements": for any day as applied to a Eurocurrency Loan or a EURIBOR Loan, the aggregate (without duplication) of the maximum rates (expressed as a decimal fraction) of reserve requirements in effect on such day (including basic, supplemental, marginal and emergency reserves, as applicable) under any regulations of the Board or other Governmental Authority having jurisdiction with respect thereto dealing with reserve requirements prescribed for funding in the applicable Currency (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board) maintained by a member bank of the Federal Reserve System.

"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. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of the Parent Borrower.

"Subsidiary Borrower": any Wholly-Owned Subsidiary of the Parent Borrower that becomes a party hereto pursuant to Section 2.21 until, in each case, such time as such Subsidiary Borrower is removed as a party hereto pursuant to Section 2.21

"Subsidiary Borrower Joinder Agreement": as defined in Section 2.21(a)(i).

"Subsidiary Guarantor": (a) each Subsidiary that is party to the Guarantee and Collateral Agreement on the Closing Date and (b) each Subsidiary that becomes a party to the Guarantee and Collateral Agreement after the Closing Date pursuant to Section 6.10 or otherwise.

"Supermajority Lenders": the holders of more than 66⅔% of (x) until the Closing Date, the Revolving Commitments then in effect and (y) thereafter, the sum of the Total Revolving

Commitments then in effect or, if the Revolving Commitments have been terminated, the Total Revolving Extensions of Credit then outstanding, subject to Section 2.18(b).

"Supported QFC": as defined in Section 10.23.

"Swap Agreement": any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

"Swap Bank": any Person that is the Administrative Agent, a Lender, an Affiliate of the Administrative Agent or an Affiliate of a Lender at the time it enters into a Secured Swap Agreement, in its capacity as a party thereto, and (other than a Person already party hereto as the Administrative Agent or a Lender) that delivers to the Administrative Agent a letter agreement reasonably satisfactory to it (i) appointing the Administrative Agent as its agent under the applicable Loan Documents and (ii) agreeing to be bound by Sections 10.5, 10.11, 10.12, 10.16 and the Guarantee and Collateral Agreement as if it were a Lender.

"Swap Obligation": with respect to any Subsidiary Guarantor, any obligation to pay or perform under any Swap Agreement.

"Swiss Francs": the lawful currency of Switzerland.

"Syndication Agent": the Syndication Agent identified on the cover page of this Agreement.

"TARGET Day": the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system (or, if such payment system ceases to be operative, such other payment system reasonably determined by the Administrative Agent to be a suitable replacement) for the settlement of payments in Euros.

"Taxes": all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Termination Letter": as defined in Section 2.21(a)(ii).

"Third Amendment": the Third Amendment and Waiver to this Agreement, dated as of the Third Amendment Effective Date.

"Third Amendment Effective Date": May 6, 2020.

"Total Asset Value": as of any date, the net book value of the total assets of the Parent Borrower 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 the Parent Borrower 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 only to the extent (A) in excess of the amount of any associated Permitted Non-Recourse CLO Indebtedness and (B) such assets are Investment Assets that contribute, directly or indirectly, to the Maximum Permitted Outstanding Amount,

(iv) include the notional value of all Reference CMBS with respect to which the Parent Borrower or any of its Consolidated Subsidiaries has entered into a Qualified CMBX Contract and (v) 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.

"Total CMBX Termination Liability": on any date of determination, an amount equal to the aggregate amount of CMBX Termination Liability with respect to all CMBX Contracts that are Secured Swap Agreements.

"Total Dollar Commitments": at any time, the aggregate amount of the Dollar Commitments then in effect.

"Total Dollar Extensions of Credit": at any time, the aggregate amount of the Revolving Dollar Extensions of Credit of the Dollar Lenders outstanding at such time.

"Total Multicurrency Commitments": at any time, the aggregate amount of the Multicurrency Commitments then in effect.

"Total Multicurrency Extensions of Credit": at any time, the aggregate amount of the Revolving Multicurrency Extensions of Credit of the Multicurrency Lenders outstanding at such time.

"Total Revolving Commitments": at any time, the aggregate amount of the Dollar Commitments and the Multicurrency Commitments then in effect. The amount of the Total Revolving Commitments as of the ~~Second~~Third Amendment Effective Date is $~~560,000,000~~450,000,000.

"Total Revolving Extensions of Credit": at any time, the aggregate amount of the Revolving Extensions of Credit of the Revolving Lenders outstanding at such time.

"Transaction Costs": as defined in the definition of "Transactions".

"Transactions": collectively, (a) the Combination pursuant to and on the terms of the Combination Agreement, (b) the initial public offering of the REIT Entity or a listing of the REIT Entity's Class A common stock on a national securities exchange (either such event, the "Listing"), (c) the execution and delivery of this Agreement by the Parent Borrower and (d) the payment by the Parent Borrower of the fees and expenses incurred in connection with the execution and delivery of this Agreement (such fees and expenses, the "Transaction Costs").

"Transferee": any Assignee or Participant.

"Trigger Event": at any time with respect to any Qualified Investment Asset, any event or circumstance that occurs with respect to such Qualified Investment Asset (including, for this purpose, in respect of any direct or indirect owner thereof) that could reasonably be expected to result in a reduction in the Maximum Permitted Outstanding Amount during the then current fiscal quarter of the Parent Borrower (including any default or restructuring in respect of such Qualified Investment Asset, any modification, waiver, termination or expiration of any applicable loan agreement, lease agreement or joint venture or other equityholder documentation relating to such Qualified Investment Asset, any bankruptcy or insolvency event relating to any real property manager, tenant or any other obligor in respect of such Qualified Investment Asset, any liabilities (environmental, tax or otherwise) incurred by any Loan Party or Affiliated Investor in respect of such Qualified Investment Asset, any casualty or condemnation event with respect to such Qualified Investment Asset); provided that either (i) immediately before or after

giving effect to such event or circumstance, the sum of the Total Revolving Extensions of Credit *plus* the Total CMBX Termination Liability outstanding exceeds 90% of the Maximum Permitted Outstanding Amount or (ii) (x) immediately before or after giving effect to such event or circumstance, the sum of the Total Revolving Extensions of Credit *plus* the Total CMBX Termination Liability outstanding exceeds 75% of the Maximum Permitted Outstanding Amount and (y) such event or circumstance results in a reduction of the Maximum Permitted Outstanding Amount in excess of 5% thereof (to be calculated after giving effect to such reduction).

"Type": as to any Loan, its nature as an ABR Loan, a Eurocurrency Loan or a EURIBOR Loan.

"UCP": with respect to any Letter of Credit, the "Uniform Customs and Practice for Documentary Credits", International Chamber of Commerce ("ICC") Publication No. 600 (or such later version thereof as may be in effect at the time of issuance).

"UK Financial Institution": any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority": the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Unconsolidated Subsidiary": any Subsidiary of the Parent Borrower that is not a Consolidated Subsidiary of the Parent Borrower.

"United States": the United States of America.

"Unlevered Affiliated Investor": any Affiliated Investor so long as (i) such Affiliated Investor has no Indebtedness outstanding, (ii) such Affiliated Investor is not an Excluded Subsidiary and (iii) no Affiliated Investor that, directly or indirectly, holds Capital Stock of such Affiliated Investor has any Indebtedness outstanding (in each case with respect to clauses (i) and (iii) other than any Indebtedness incurred pursuant to the Loan Documents) or is an Excluded Subsidiary.

"Unreimbursed Amounts": as defined in Section 3.4.

"U.S. Person": a "United States person" within the meaning of Section 7701(a)(30) of the Code.

"U.S. Special Resolution Regimes": as defined in Section 10.23.

"U.S. Tax Compliance Certificate": as defined in Section 2.14(f)(ii)(B)(3).

"Warehouse Facility": any financing arrangement of any kind, including, but not limited to, financing arrangements in the form of repurchase facilities, loan agreements, note issuance facilities and commercial paper facilities (excluding in all cases, securitizations), with a financial institution or other lender or purchaser exclusively to finance the purchase or origination of Commercial Real Estate Debt Investments prior to securitization thereof; provided that such purchase or origination is in the ordinary course of business.

"Warehouse Indebtedness": Indebtedness in connection with a Warehouse Facility; provided that the amount of any particular Warehouse Indebtedness as of any date of determination shall be calculated in accordance with GAAP.

"Wholly-Owned Subsidiary": as 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.

"Wholly-Owned Subsidiary Guarantor": any Subsidiary Guarantor that is a Wholly-Owned Subsidiary of the Parent Borrower.

"Withdrawal Liability": any liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Title IV of ERISA.

"Write-Down and Conversion Powers": (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule~~.~~, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

1.2 Other Definitional Provisions. (a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Loan Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(b) As used herein and in the other Loan Documents, and any certificate or other document made or delivered pursuant hereto or thereto, (i) accounting terms relating to any Group Member not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP (provided that all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to (i) any election under Accounting Standards Codification 825-10-25 (previously referred to as Statement of Financial Accounting Standards 159) (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Parent Borrower or any Subsidiary at "fair value", as defined therein and (ii) any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof), (ii) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", (iii) the word "incur" shall be construed to mean incur, create, issue, assume, become liable in respect of or suffer to exist (and the words "incurred" and "incurrence" shall have correlative meanings), (iv) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, Capital Stock, securities, revenues, accounts, leasehold interests and contract rights, and (v) references to agreements or other Contractual Obligations shall, unless otherwise specified, be deemed to refer to such agreements or Contractual Obligations as amended, supplemented, restated or otherwise modified from time to time.

(c) The words “hereof”, “herein” and “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(e) All references herein to consolidated financial statements of the Parent Borrower and its Subsidiaries or to the determination of any amount for the Parent Borrower and its Subsidiaries on a consolidated basis or any similar reference shall, in each case, be deemed to include each variable interest entity that the Parent Borrower is required to consolidated pursuant to FASB ASC 810 as if such variable interest entity were a Subsidiary as defined herein.

(f) When the payment of any obligation or the performance of any covenant, duty or obligation is stated to be due or performance required on a day which is not a Business Day, the date of such payment (other than as described in the definition of “Interest Period”) or performance shall extend to the immediately succeeding Business Day and such extension of time shall be reflected in computing applicable interest or fees, as the case may be.

1.3 Letter of Credit Amounts. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any Application related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such times.

1.4 Classification of Loans. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g. a “Dollar Loan” or a “Multicurrency Loan”), by type (e.g. an “ABR Loan”, a “Eurocurrency Loan” or a “EURIBOR Loan”) or by Class and Type (e.g. a “Multicurrency Eurocurrency Loan”).

1.5 Currencies Generally.

(a) Except as provided in Section 2.6(b), for purposes of determining (i) whether the amount of any Loans made to any Borrower under the Multicurrency Commitments, together with all other Loans made to any Borrower under the Multicurrency Commitments then outstanding or to be borrowed at the same time of such Loans, would exceed the Total Multicurrency Commitments, (ii) the aggregate unutilized amount of the Multicurrency Commitments and (iii) the Revolving Multicurrency Extensions of Credit, the outstanding principal amount of any Loan that is denominated in any Foreign Currency shall be deemed to be the Dollar Equivalent of the amount of the Foreign Currency of such Loan, determined as of the most recent Revaluation Date. Without limiting the generality of the foregoing, for purposes of determining compliance with any basket provision in this Agreement, in no event shall the Parent Borrower be deemed to not be in compliance with any such basket provision solely as a result of a change in exchange rates.

(b) Exchange Rates; Currency Equivalents. The Administrative Agent shall determine the Dollar Equivalent as of each Revaluation Date to be used for calculating Dollar Equivalent amounts of Loans and Aggregate Exposure denominated in Agreed Foreign Currencies. Such Dollar Equivalent shall become effective as of such Revaluation Date and shall be the Dollar Equivalent employed in converting

any amounts between the applicable currencies until the next Revaluation Date to occur. The applicable amount of any Currency (other than Dollars) for purposes of the Loan Documents shall be such Dollar Equivalent amount as so determined by the Administrative Agent.

1.6 Interest Rates; LIBOR Notification. The interest rate on Eurocurrency Loans is determined by reference to the Adjusted LIBO Rate and the interest rate on EURIBOR Loans is determined by reference to the Adjusted EURIBO Rate, both of which are derived from the applicable interbank offered rate. The applicable interbank offered rate is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. In July 2017, the U.K. Financial Conduct Authority announced that, after the end of 2021, it would no longer persuade or compel contributing banks to make rate submissions to the ICE Benchmark Administration (together with any successor to the ICE Benchmark Administrator, the "IBA") for purposes of the IBA setting the London interbank offered rate. As a result, it is possible that commencing in 2022, the London interbank offered rate may no longer be available or may no longer be deemed an appropriate reference rate upon which to determine the interest rate on Eurocurrency Loans. In light of this eventuality, public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of the London interbank offered rate. In the event that the London interbank offered rate is no longer available or in certain other circumstances as set forth in Section 2.11 of this Agreement, such Section 2.11 provides a mechanism for determining an alternative rate of interest. The Administrative Agent will notify the Parent Borrower, pursuant to Section 2.11, in advance of any change to the reference rate upon which the interest rate on Eurocurrency Loans is based. However, the Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the London interbank offered rate or other rates in the definition of "LIBO Rate" or with respect to any alternative or successor rate thereto, or replacement rate thereof, including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate, as it may or may not be adjusted pursuant to Section 2.11, will be similar to, or produce the same value or economic equivalence of, the LIBO Rate or have the same volume or liquidity as did the London interbank offered rate prior to its discontinuance or unavailability.

SECTION 2. AMOUNT AND TERMS OF COMMITMENTS

2.1 Revolving Commitments.

(a) Subject to the terms and conditions hereof, each Dollar Lender severally agrees to make Dollar Loans to the Borrowers from time to time during the Revolving Commitment Period in an aggregate principal amount that will not result in (i) such Lender's Revolving Dollar Extensions of Credit exceeding such Lender's Dollar Commitment or (ii) the Total Dollar Extensions of Credit of all of the Lenders exceeding the Total Dollar Commitments.

(b) Subject to the terms and conditions hereof, each Multicurrency Lender severally agrees to make Multicurrency Loans to the Borrowers from time to time during the Revolving Commitment Period in an aggregate principal amount that will not result in (i) such Lender's Revolving Multicurrency Extensions of Credit exceeding such Lender's Multicurrency Commitment or (ii) the Total Multicurrency Extensions of Credit of all of the Lenders exceeding the Total Multicurrency Commitments.

During the Revolving Commitment Period the Borrowers may use the Revolving Commitments by borrowing, prepaying the Revolving Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof. The Revolving Loans may from time to time be Eurocurrency Loans, ABR Loans or EURIBOR Loans, as determined by the applicable Borrower and notified to the

Administrative Agent, in each case, in accordance with Sections 2.2 and 2.7; provided that each ABR Loan shall only be made in Dollars. Notwithstanding anything to the contrary in this Agreement, in no event shall the sum of (i) the Total Revolving Extensions of Credit and (ii) the Total CMBX Termination Liability exceed the Maximum Permitted Outstanding Amount.

2.2 Procedure for Revolving Loan Borrowing. Any Borrower may borrow under the Revolving Commitments during the Revolving Commitment Period on any Business Day, provided that the applicable Borrower shall give the Administrative Agent irrevocable notice (which notice must be received by the Administrative Agent prior to 12:00 Noon, New York City time, (a) three Business Days prior to the requested Borrowing Date (or, with respect to any such borrowing to be made on the Closing Date, such later date agreed to by the Administrative Agent in its sole discretion), in the case of Eurocurrency Loans or EURIBOR Loans, or (b) on the requested Borrowing Date, in the case of ABR Loans), specifying (i) the amount, Class, Currency and Type of Revolving Loans to be borrowed, (ii) the requested Borrowing Date and (iii) in the case of Eurocurrency Loans or EURIBOR Loans, the respective amounts of each such Type of Loan and the respective lengths of the initial Interest Period therefor. Each borrowing under the Revolving Commitments shall be in an amount equal to (x) in the case of ABR Loans, $1,000,000 or a whole multiple thereof (or, if the then aggregate Available Revolving Commitments are less than $1,000,000, such lesser amount) and (y) in the case of Eurocurrency Loans or EURIBOR Loans, $5,000,000 (or, if such Borrowing is denominated in an Agreed Foreign Currency, 5,000,000 units of such Currency) or a whole multiple of $1,000,000 (or, if such Borrowing is denominated in an Agreed Foreign Currency, 1,000,000 units of such Currency) in excess thereof (or, if the then aggregate Available Multicurrency Commitments are less than $1,000,000, such lesser amount). Upon receipt of any such notice from a Borrower, the Administrative Agent shall promptly notify each Revolving Lender thereof. Each Dollar Lender will make the amount of its pro rata share of each borrowing, in Dollars, available to the Administrative Agent for the account of the applicable Borrower at the Funding Office prior to 2:00 P.M., New York City time, on the Borrowing Date requested by such Borrower in funds immediately available to the Administrative Agent. Each Multicurrency Lender will make the amount of its pro rata share of each borrowing, in the applicable Currency, available to the Administrative Agent for the account of the applicable Borrower at the Funding Office (A) in the case of any Loans denominated in Dollars, prior to 2:00 p.m., New York City time and (B) in the case of any Loans denominated in any Foreign Currency, prior to 9:30 A.M., New York City time, in each case on the Borrowing Date specified by the applicable Borrower in funds immediately available to the Administrative Agent. Such borrowing will then be made available to the applicable Borrower by the Administrative Agent crediting the account of such Borrower on the books of such office with the aggregate of the amounts, in such Currency, as made available to the Administrative Agent by the Revolving Lenders and in like funds as received by the Administrative Agent.

2.3 Commitment Fees. (a) The Parent Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender a commitment fee for the period from and including the date hereof to the last day of the Revolving Commitment Period, computed at the Commitment Fee Rate applicable to such Lender (which, in the case of Dollar Lenders shall be the rate set forth in clause (a) of the definition of "Commitment Fee Rate" and, in the case of Multicurrency Lenders, shall be the rate set forth in clause (b) of the definition of "Commitment Fee Rate") on the average daily amount, (i) in the case of Dollar Lenders, of the Available Dollar Commitment of such Dollar Lender during the period for which payment is made, and (ii) in the case of Multicurrency Lenders, of the Available Multicurrency Commitment of such Multicurrency Lender during the period for which payment is made, in each case, payable quarterly in arrears on each Fee Payment Date, commencing on the first such date to occur after the date hereof.

(b) The Parent Borrower agrees to pay to the Administrative Agent the fees in the amounts and on the dates as set forth in any fee agreements with the Administrative Agent and to perform any other obligations contained therein.

2.4 Termination or Reduction of Revolving Commitments.

(a) The Parent Borrower shall have the right at any time, upon not less than three Business Days' notice to the Administrative Agent, to terminate the Revolving Commitments ~~(or to terminate only the Dollar Commitments and/or the Multicurrency Commitments, as the case may be)~~ or, from time to time, to reduce the amount of the Revolving Commitments ~~(or to reduce only the Dollar Commitments and/or the Multicurrency Commitments, as the case may be)~~; provided that no such termination or reduction of Revolving Commitments shall be permitted if, after giving effect thereto and to any prepayments of the Revolving Loans made on the effective date thereof, (i) the Total Revolving Extensions of Credit would exceed the Total Revolving Commitments, (ii) the Total Dollar Extensions of Credit would exceed the Total Dollar Commitments or (iii) the Total Multicurrency Extensions of Credit would exceed the Total Multicurrency Commitments. Any such reduction shall be in an amount equal to $500,000, or a whole multiple thereof, and shall reduce permanently the relevant Revolving Commitments then in effect. Any such termination or reduction of Revolving Commitments ~~that is not specified by the applicable Borrower as applying to the Dollar Commitments and/or the Multicurrency Commitments~~ shall be applied ratably to the Dollar Commitments and the Multicurrency Commitments.

~~(b) The Parent Borrower may at any time or from time to time after the Closing Date, by notice to the Administrative Agent and the Lenders, request that one or more of the Dollar Lenders or Multicurrency Lenders, as applicable, reallocate a portion of their respective Dollar Commitments or Multicurrency Commitments, as applicable, to Multicurrency Commitments or Dollar Commitments, as applicable; provided that, after giving effect thereto (which, notwithstanding anything to the contrary contained herein, may include a non pro rata prepayment of the Loans held by such Lenders agreeing to such reallocation), (x) the Total Revolving Extensions of Credit would not exceed the Total Revolving Commitments, (y) in the case of a reallocation of the Dollar Commitments, the Total Dollar Extensions of Credit would not exceed the Total Dollar Commitments and (z) in the case of a reallocation of the Multicurrency Commitments, the Total Multicurrency Extensions of Credit would not exceed the Total Multicurrency Commitments. Each notice from the Parent Borrower pursuant to this Section 2.4(b) shall set forth the requested amount of such reallocation and date of such reallocation (which shall be at least three Business Days after the date of such request) and shall also set forth the agreement of the applicable Dollar Lenders or Multicurrency Lenders, as applicable, to such reallocation. The relevant Lenders agreeing to reallocate a portion of their Dollar Commitments or Multicurrency Commitments, as applicable, to Multicurrency Commitments or Dollar Commitments, as applicable, shall have such portion of their respective Dollar Commitments or Multicurrency Commitments, as applicable, reallocated as provided in such notice. On the date of such reallocation, (i) each relevant Lender shall make available to the Administrative Agent such amounts in immediately available funds as the Administrative Agent shall determine is necessary in order to cause, after giving effect to such reallocation and the application of such amount to prepay Multicurrency Loans or Dollar Loans, as applicable, the Dollars Loans and Multicurrency Loans, respectively, to be held ratably by all Dollar Lenders and Multicurrency Lenders, as applicable, in accordance with the respective Dollar Commitments and Multicurrency Commitments in effect at the time of such reallocation, (ii) the Borrowers shall be deemed to have prepaid and reborrowed all of the applicable outstanding Loans reallocated and (iii) the Borrowers shall pay to the relevant Lenders the amounts, if any, payable under Section 2.15 as a result of such prepayment(s). Notwithstanding anything in this Section 2.4(b) to the contrary, no Lender shall be obligated to reallocate any portion of its Revolving Commitments, as applicable, unless such Lender agrees.~~

2.5 Optional Prepayments. The Borrowers may at any time and from time to time prepay the Loans, in whole or in part, without premium or penalty, upon irrevocable notice delivered to the Administrative Agent no later than 12:00 Noon, New York City time, three Business Days prior thereto, in the case of Eurocurrency Loans or EURIBOR Loans, and no later than 12:00 Noon, New York City time, on the date of such prepayment, in the case of ABR Loans, which notice shall specify the date and amount of prepayment and whether the prepayment is of Eurocurrency Loans, EURIBOR Loans or ABR Loans; provided, that if a Eurocurrency Loan or EURIBOR Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the applicable Borrower shall also pay any amounts owing pursuant to Section 2.15. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with (except in the case of Revolving Loans that are ABR Loans) accrued interest to such date on the amount prepaid. Partial prepayments of Loans shall be in an aggregate principal amount of $500,000 (or, if the applicable Borrowing is denominated in an Agreed Foreign Currency, 500,000 units of such Currency) or a whole multiple of $500,000 (or, if the applicable Borrowing is denominated in an Agreed Foreign Currency, 500,000 units of such Currency) in excess thereof. Notwithstanding the foregoing, any notice of prepayment delivered in connection with any refinancing or prepayment of all of the Revolving Facility with the proceeds of Indebtedness or other transaction to be incurred or consummated substantially simultaneously with such refinancing or prepayment, may be, if expressly stated in such notice of prepayment, contingent upon the consummation of such transactions and may be revoked by the applicable Borrower in the event the incurrence of such transaction is not consummated.

2.6 Mandatory Prepayments and Commitment Reductions. (a) If for any reason (x) the Total Revolving Extensions of Credit exceeds the lesser of (i) the Total Revolving Commitments then in effect and (ii) the Maximum Permitted Outstanding Amount, (y) the sum of the Total Revolving Extensions of Credit *plus* the Total CMBX Termination Liability exceeds the Maximum Permitted Outstanding Amount or (z) the Total Dollar Extensions of Credit exceed the Total Dollar Commitments, the Borrowers shall immediately prepay the applicable Loans in an aggregate amount equal to such excess. The application of any prepayment pursuant to clauses (x) or (y) of this Section 2.6(a) shall be applied ratably (based on the outstanding principal amount of such Loans) between the Dollar Lenders and the Multicurrency Lenders based on the outstanding Loans.

(b) Mandatory Prepayment Due to Changes in Exchange Rates. If, as of the most recent Revaluation Date, the Total Multicurrency Extensions of Credit on such date exceeds 105% of the Total Multicurrency Commitments as then in effect, the Borrowers shall prepay the Multicurrency Loans made to the Borrowers or cash collateralize L/C Obligations within 15 Business Days following such date of determination in such aggregate amounts as shall be necessary so that after giving effect thereto the Total Multicurrency Extensions of Credit does not exceed the Multicurrency Commitments.

(c) Mandatory Commitment Reduction and Prepayment Due to Changes in Consolidated Tangible Net Worth.

(i) On the first date that Consolidated Tangible Net Worth is less than $1,700,000,000, (A) the Borrowers shall provide notice to the Administrative Agent that Consolidated Tangible Net Worth is less than $1,700,000,000 and the amount of Consolidated Tangible Net Worth on such date and (B) the Total Revolving Commitments shall be reduced automatically to an amount equal to 25% of the amount of Consolidated Tangible Net Worth on such date.

(ii) On each date after the occurrence of the reduction of the Total Revolving Commitments described in clause (i) above on which Consolidated Tangible Net Worth is equal

to or less than any amount set forth under the heading "Consolidated Tangible Net Worth" in the table below, (A) the Borrowers shall provide notice to the Administrative Agent of such decrease in Consolidated Tangible Net Worth and the amount of Consolidated Tangible Net Worth on such date and (B) the Total Revolving Commitments shall be reduced automatically to an amount equal to the amount set forth under the heading "Total Revolving Commitments" in the table below next to the applicable amount of Consolidated Tangible Net Worth that is closest to (but not less than) Consolidated Tangible Net Worth on such date.

Consolidated Tangible Net Worth	Total Revolving Commitments
$1,660,000,000	$415,000,000
$1,620,000,000	$405,000,000
$1,580,000,000	$395,000,000
$1,540,000,000	$385,000,000
$1,500,000,000	$375,000,000

~~(c) [Reserved]~~

(iii) Each reduction of the Total Revolving Commitments pursuant to this Section 2.6(c) shall be applied ratably to the Dollar Commitments and the Multicurrency Commitments then in effect.

(iv) Concurrently with each reduction of the Total Revolving Commitments pursuant to this Section 2.6(c), the Borrowers shall make any prepayment of Loans required pursuant to Section 2.6(a) as a result of such reduction.

(d) If any Indebtedness shall be incurred pursuant to Section 7.2(h), an amount equal to 100% of the Net Cash Proceeds thereof shall be immediately applied toward the prepayment of the Loans.

(e) Any reduction of the Revolving Commitments shall be accompanied by prepayment of the Revolving Loans to the extent, if any, that the Total Revolving Extensions of Credit exceed the amount of the Total Revolving Commitments as so reduced, provided that if the aggregate principal amount of Revolving Loans then outstanding is less than the amount of such excess (because L/C Obligations constitute a portion thereof), the Borrowers shall, to the extent of the balance of such excess, cash collateralize on or prior to the date of such reduction (in the manner described in Section 3.9) or replace outstanding Letters of Credit. In the case of Borrowings denominated in Dollars, the application of any prepayment pursuant to Section 2.6 shall be made, first, to ABR Loans and, second, to Eurocurrency Loans. Each prepayment of the Revolving Loans under Section 2.6 (except in the case of Revolving Loans that are ABR Loans) shall be accompanied by accrued interest to the date of such prepayment on the amount prepaid.

(f) Notwithstanding anything to the contrary in this Section 2.6, in no event shall a Foreign Borrower be required to prepay any Borrowing by any Domestic Borrower.

2.7 Conversion and Continuation Options. (a) Any applicable Borrower may elect from time to time to convert Eurocurrency Loans denominated in Dollars to ABR Loans by giving the Administrative Agent prior irrevocable notice of such election no later than 12:00 Noon, New York City time, on the Business Day preceding the proposed conversion date, provided that any such conversion of Eurocurrency Loans may only be made on the last day of an Interest Period with respect thereto. The applicable Borrower may elect from time to time to convert ABR Loans to Eurocurrency Loans denominated in Dollars by giving the Administrative Agent prior irrevocable notice of such election no later than 12:00 Noon, New York City time, on the third Business Day preceding the proposed conversion date (which notice shall specify the length of the initial Interest Period therefor), provided that no ABR Loan may be converted into a Eurocurrency Loan denominated in Dollars when any Event of Default has

occurred and is continuing and the Administrative Agent or the Required Lenders have determined in its or their sole discretion not to permit such conversions. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.

(b) Any Eurocurrency Loan or EURIBOR Loan may be continued as such upon the expiration of the then current Interest Period with respect thereto by the applicable Borrower giving irrevocable notice to the Administrative Agent, in accordance with the applicable provisions of the term "Interest Period" set forth in Section 1.1, of the length of the next Interest Period to be applicable to such Loans, provided that no Eurocurrency Loan or EURIBOR Loan may be continued as such (i) when any Event of Default has occurred and is continuing and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such continuations or (ii) if an Event of Default specified in clause (i) or (ii) of Section 8(f) with respect to any Borrower is in existence, and provided, further, that (i) if the applicable Borrower shall fail to give any required notice as described above in this paragraph or to specify any Interest Period in any such notice, such Loans shall be continued as Eurocurrency Loans or EURIBOR Loans, as applicable, with an Interest Period of one month, or (ii) if such continuation is not permitted pursuant to the preceding proviso, such Loans (x) if denominated in Dollars, shall be automatically converted to ABR Loans on the last day of such then expiring Interest Period or (y) if denominated in a Foreign Currency, shall be automatically converted to Dollars in an amount equal to the Dollar Equivalent of the amount in the Foreign Currency of such Loan and converted to an ABR Loan. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.

2.8 Limitations on Eurocurrency and EURIBOR Tranches. Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions and continuations of Eurocurrency Loans or EURIBOR Loans and all selections of Interest Periods shall be in such amounts and be made pursuant to such elections so that, (a) after giving effect thereto, the aggregate principal amount of the Eurocurrency Loans comprising each Eurocurrency Tranche and EURIBOR Loans comprising EURIBOR Tranches shall be equal to $5,000,000 (or, if such Borrowing is denominated in an Agreed Foreign Currency, 5,000,000 units of such Currency) or a whole multiple of $1,000,000 (or, if such Borrowing is denominated in an Agreed Foreign Currency, 1,000,000 units of such Currency) in excess thereof and (b) no more than ten Eurocurrency Tranches or EURIBOR Tranches shall be outstanding at any one time.

2.9 Interest Rates and Payment Dates. (a) Each Eurocurrency Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Adjusted LIBO Rate determined for such day plus the Applicable Margin.

(b) Each ABR Loan shall bear interest at a rate per annum equal to the ABR plus the Applicable Margin.

(c) Each EURIBOR Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Adjusted EURIBO Rate determined for such day plus the Applicable Margin.

(d) (i) If all or a portion of the principal amount of any Loan or Reimbursement Obligation shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to (x) in the case of Loans, the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this Section plus 2% or (y) in the case of Reimbursement Obligations, (A) in the case of Letters of Credit denominated in Dollars, the rate applicable to ABR Loans under the Revolving Facility or (B) in the case of Letters of Credit denominated in any Agreed Foreign Currency, the rate then applicable to such Currency, in each case plus 2% and (ii) if all or a portion of any interest payable on any Loan or Reimbursement Obligation or any

commitment fee or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to (x) if such Loan is denominated in Dollars, the rate then applicable to ABR Loans or (y) if such Loan is denominated in Euros, Pound Sterling, Swiss Francs or any other Foreign Currency, the rate then applicable to such Currency, in each case plus 2%, in each case, with respect to clauses (i) and (ii) above, from the date of such non-payment until such amount is paid in full (as well after as before judgment).

(e) Interest shall be payable in arrears on each Interest Payment Date, provided that interest accruing pursuant to paragraph (d) of this Section shall be payable from time to time on demand.

2.10 Computation of Interest and Fees. (a) Interest and fees payable pursuant hereto shall be calculated on the basis of a 360-day year for the actual days elapsed, except that, (i) with respect to ABR Loans at times when ABR is based on the Prime Rate, the interest thereon shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed and (ii) with respect to Loans denominated in Pounds Sterling, the interest thereon shall be calculated on the basis of a year of 365 days (or 366, as the case may be), payable for the actual number of days elapsed (including the first day but excluding the last day). The Administrative Agent shall as soon as practicable notify the relevant Borrowers and Lenders of each determination of the Adjusted LIBO Rate and Adjusted EURIBO Rate. Any change in the interest rate on a Loan resulting from a change in the ABR or the Statutory Reserve Requirements shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall as soon as practicable notify the relevant Borrowers and Lenders of the effective date and the amount of each such change in interest rate.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrowers and the Lenders in the absence of manifest error. The Administrative Agent shall, at the request of the applicable Borrower, deliver to such Borrower a statement showing the quotations used by the Administrative Agent in determining any interest rate pursuant to Section 2.9(a).

2.11 Alternative Rate of Interest. (a) If prior to the first day of any Interest Period:

(i) the Administrative Agent shall have determined (which determination shall be conclusive and binding absent manifest error) that adequate and reasonable means do not exist for ascertaining the applicable Screen Rate (including, without limitation, because the applicable Screen Rate is not available or published on a current basis), for the applicable Currency and such Interest Period, or

(ii) the Administrative Agent shall have received notice from the Required Lenders that the applicable Screen Rate, determined or to be determined for the applicable Currency and such Interest Period, will not adequately and fairly reflect the cost to such Lenders (as conclusively certified by such Lenders) of making or maintaining their affected Loans in the applicable Currency during such Interest Period,

then the Administrative Agent shall give telecopy, telephonic or electronic mail notice thereof to the relevant Borrowers and Lenders as soon as practicable thereafter and, until the Administrative Agent notifies the Parent Borrower and such Lenders that the circumstances giving rise to such notice no longer exist, (A) any request made by a Borrower to convert any Loan, or any request by a Borrower to continue any Loan in the applicable Currency or for the applicable Interest Period, as the case may be, shall be ineffective, (B) if such Loan is requested in Dollars, such Loan shall be made as an ABR Loan and (C) if such Loan is requested in any Agreed Foreign Currency, then either, at the Borrower’s election, (1) any request for a Loan denominated in the applicable Currency shall be ineffective or (2) such Loan shall be

automatically converted to Dollars in an amount equal to the Dollar Equivalent of the amount in the Foreign Currency of such Loan and made as an ABR Loan; provided that, if the circumstances giving rise to such notice affect only one Type of Loans, then the other Type of Loans shall be permitted; provided, further, that, in connection with any ABR Loan made pursuant to the terms of this Section 2.11(b), the determination of the ABR shall disregard clause (c) of the definition thereof.

(b) If at any time the Administrative Agent determines (which determination shall be conclusive absent manifest error) that (i) the circumstances set forth in clause (a)(i) have arisen and such circumstances are unlikely to be temporary or (ii) the circumstances set forth in clause (a)(i) have not arisen but (w) the supervisor for the administrator of the applicable Screen Rate has made a public statement that the administrator of the applicable Screen Rate is insolvent (and there is no successor administrator that will continue publication of the applicable Screen Rate), (x) the administrator of the applicable Screen Rate has made a public statement identifying a specific date after which the applicable Screen Rate will permanently or indefinitely cease to be published by it (and there is no successor administrator that will continue publication of the applicable Screen Rate), (y) the supervisor for the administrator of the applicable Screen Rate has made a public statement identifying a specific date after which the applicable Screen Rate will permanently or indefinitely cease to be published or (z) the supervisor for the administrator of the applicable Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which the applicable Screen Rate shall no longer be used for determining interest rates for loans, then the Administrative Agent and the Borrowers shall endeavor to establish an alternate rate of interest to the Adjusted LIBO Rate or the Adjusted EURIBO Rate, as applicable, that gives due consideration to the then prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time, and shall enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes to this Agreement as may be applicable (but, for the avoidance of doubt, such related changes shall not include a reduction of the Applicable Margin); provided that, if such alternate rate of interest as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement. Notwithstanding anything to the contrary in Section 10.1, such amendment shall become effective without any further action or consent of any other party to this Agreement so long as the Administrative Agent shall not have received, within five Business Days of the date notice of such alternate rate of interest is provided to the Lenders, a written notice from the Required Lenders stating that such Required Lenders object to such amendment. Until an alternate rate of interest shall be determined in accordance with this clause (b) (but, in the case of the circumstances described in clause (ii)(w), clause (ii)(x) or clause (ii)(y) of the first sentence of this Section 2.11(b), only to the extent the applicable Screen Rate for the applicable Currency and such Interest Period is not available or published at such time on a current basis), any request to make a Loan in, to convert a Loan to, or to continue any Loan as, a Loan of the applicable affected Type shall be ineffective unless such request is for a Loan denominated in Dollars, in which case such Loan shall be made as an ABR Loan.

2.12 Pro Rata Treatment and Payments. (a) Each borrowing by a Borrower from the Lenders hereunder of a Class shall be made pro rata from the Lenders of such Class, each payment by the Parent Borrower on account of any commitment fee with respect to any Class of Revolving Commitments (other than as provided in Section 2.18(a)) and any reduction of any Class of the Revolving Commitments of the Lenders shall be made pro rata by such Class, according to the Dollar Revolving Percentage (in the case of Dollar Commitments) or the Multicurrency Revolving Percentage (in the case of Multicurrency Commitments) of the relevant Lenders.

(b) Subject to Section 2.18, each payment (including each prepayment) by any Borrower on account of principal of and interest on the Loans of any Class shall be made pro rata according to the respective outstanding principal amounts of the Loans of such Class then held by the Lenders.

(c) All payments (including prepayments) to be made by any Borrower hereunder, whether on account of principal, interest, fees or otherwise, shall be made without setoff or counterclaim and shall be made prior to 12:00 Noon, New York City time, on the due date thereof to the Administrative Agent, for the account of the Lenders, at the Funding Office, in the applicable Currency of the Loans related to such principal, interest, fees or otherwise Dollars and in immediately available funds. The Administrative Agent shall distribute such payments to each relevant Lender promptly upon receipt in like funds as received, net of any amounts owing by such Lender pursuant to Section 9.7. If any payment hereunder (other than payments on the Eurocurrency Loans or EURIBOR Loans) becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day. If any payment on a Eurocurrency Loan or EURIBOR Loan becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day. In the case of any extension of any payment of principal pursuant to the preceding two sentences, interest thereon shall be payable at the then applicable rate during such extension.

(d) Unless the Administrative Agent shall have been notified in writing by any Lender prior to a borrowing that such Lender will not make the amount that would constitute its share of such borrowing available to the Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption, make available to the applicable Borrower a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Borrowing Date therefor, such Lender shall pay to the Administrative Agent, on demand, such amount with interest thereon, at a rate equal to the greater of (i) (x) in the case of Dollar borrowings, the Federal Funds Effective Rate and in the case of borrowings in Foreign Currencies, a customary rate determined by the Administrative Agent and (ii) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, for the period until such Lender makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this paragraph shall be conclusive in the absence of manifest error. If such Lender's share of such borrowing is not made available to the Administrative Agent by such Lender within three Business Days after such Borrowing Date, the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to the Type of such Loan, on demand, from the applicable Borrower.

(e) Unless the Administrative Agent shall have been notified in writing by the applicable Borrower prior to the date of any payment due to be made by such Borrower hereunder that such Borrower will not make such payment to the Administrative Agent, the Administrative Agent may assume that said Borrower is making such payment, and the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the Lenders their respective pro rata shares of a corresponding amount. If such payment is not made to the Administrative Agent by the applicable Borrower within three Business Days after such due date, the Administrative Agent shall be entitled to recover, on demand, from each Lender to which any amount which was made available pursuant to the preceding sentence, such amount with interest thereon at the rate per annum equal to in the case of Dollar borrowings, the Federal Funds Effective Rate and in the case of borrowings in Foreign Currencies, a customary rate determined by the Administrative Agent. Nothing herein shall be deemed to limit the rights of the Administrative Agent or any Lender against any Borrower.

(f) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.12(d), 2.12(e), 2.14(e) or 9.7, then the Administrative Agent may, in its discretion and notwithstanding any contrary provision hereof, apply any amounts thereafter received by the Administrative Agent for the account of such Lender in accordance with Section 2.18(c).

2.13 Requirements of Law. (a) If the adoption of or any change in any Requirement of Law or in the interpretation or application thereof or compliance by any Lender or other Credit Party with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority made subsequent to the date hereof:

(i) shall subject any Credit Party to any Taxes (other than (A) Indemnified Taxes and (B) Excluded Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

(ii) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit (or participations therein) by, or any other acquisition of funds by, any office of such Lender that is not otherwise included in the determination of the Adjusted LIBO Rate or the Adjusted EURIBO Rate, as applicable; or

(iii) shall impose on such Lender any other condition (other than Taxes);

and the result of any of the foregoing is to increase the cost to such Lender or such other Credit Party, by an amount that such Lender or other Credit Party deems to be material, of making, converting into, continuing or maintaining Loans or issuing or participating in Letters of Credit, or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the applicable Borrowers shall promptly pay such Lender or such other Credit Party, upon its demand and delivery to the Parent Borrower of a certificate described in clause (d) below, any additional amounts necessary to compensate such Lender or such other Credit Party for such increased cost or reduced amount receivable. If any Lender or such other Credit Party becomes entitled to claim any additional amounts pursuant to this paragraph, it shall promptly notify the Parent Borrower (with a copy to the Administrative Agent) of the event by reason of which it has become so entitled.

(b) If any Lender shall have determined that the adoption of or any change in any Requirement of Law regarding capital or liquidity requirements or in the interpretation or application thereof or compliance by such Lender or any corporation controlling such Lender with any request or directive regarding capital or liquidity requirements (whether or not having the force of law) from any Governmental Authority made subsequent to the date hereof shall have the effect of reducing the rate of return on such Lender's or such corporation's capital as a consequence of its obligations hereunder or under or in respect of any Letter of Credit to a level below that which such Lender or such corporation could have achieved but for such adoption, change or compliance (taking into consideration such Lender's or such corporation's policies with respect to capital adequacy or liquidity) by an amount deemed by such Lender to be material, then from time to time, after submission by such Lender to the Parent Borrower (with a copy to the Administrative Agent) of a written request therefor in the form of a certificate described in clause (d) below, the applicable Borrowers shall pay to such Lender such additional amount or amounts as will compensate such Lender or such corporation for such reduction.

(c) Notwithstanding anything herein to the contrary, (i) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or by United States or foreign regulatory authorities, in each case pursuant to Basel III, and (ii) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder or issued in connection therewith or in implementation thereof, shall in each case be deemed to be a change in law, regardless of the date enacted, adopted, issued or implemented; provided that a Lender may only submit a request for compensation in connection with the changes in the Requirements of Law described in clauses

(i) and (ii) above if such Lender generally imposes such increased costs on borrowers similarly situated to the Parent Borrower under syndicated credit facilities comparable to the Revolving Facility.

(d) A certificate as to any additional amounts payable pursuant to this Section submitted by any Lender to the Parent Borrower (with a copy to the Administrative Agent) shall be conclusive in the absence of manifest error. Notwithstanding anything to the contrary in this Section, the Borrowers shall not be required to compensate a Lender pursuant to this Section for any amounts incurred more than nine months prior to the date that such Lender notifies the Parent Borrower of such Lender's intention to claim compensation therefor; provided that, if the circumstances giving rise to such claim have a retroactive effect, then such nine-month period shall be extended to include the period of such retroactive effect. The obligations of the Borrowers pursuant to this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

2.14 Taxes. (a) Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that, after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.14), the amounts received with respect to this agreement equal the sum which would have been received had no such deduction or withholding been made.

(b) The Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for, Other Taxes.

(c) As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section 2.14, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment (if any), or a copy of the return reporting such payment (or other evidence of such payment reasonably satisfactory to the Administrative Agent).

(d) The Loan Parties shall jointly and severally indemnify each Credit Party, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable to such Credit Party by a Loan Party under this Section) payable or paid by such Credit Party or required to be withheld or deducted from a payment to such Credit Party and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Parent Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Taxes and without limiting the obligation of the Loan Parties to do so) and (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.6(c) relating to the maintenance of a Participant Register, in either case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable

expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) (i) Each Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Parent Borrower and the Administrative Agent, at the time or times reasonably requested by the Parent Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Parent Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Parent Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Parent Borrower or the Administrative Agent as will enable the Parent Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.14(f)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that any Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Parent Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Parent Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is fully exempt from U.S. federal backup withholding tax;

(B) any Non-U.S. Lender shall, to the extent it is legally entitled to do so, deliver to the Parent Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Non-U.S. Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Parent Borrower or the Administrative Agent), whichever of the following is applicable (plus any other documents or other evidence to fully exempt any amount payable or paid to such Non-U.S. Lender from U.S. federal backup withholding tax):

(1) in the case of a Non-U.S. Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty (if such amount is properly treated as interest thereunder and as otherwise required under U.S. federal tax law) and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or

reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed originals of IRS Form W-8ECI;

(3) in the case of a Non-U.S. Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit F-1 to the effect that such Non-U.S. Lender is none of the following: a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of any Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E;

(4) to the extent a Non-U.S. Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-2 or Exhibit F-3, IRS Form W-9, and/or other valid and reasonably acceptable certification documents from each beneficial owner, as applicable; provided that if the Non-U.S. Lender is a partnership and one or more direct or indirect partners of such Non-U.S. Lender are claiming the portfolio interest exemption, such Non-U.S. Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-4 on behalf of each such direct and indirect partner;

(C) any Non-U.S. Lender shall, to the extent it is legally entitled to do so, deliver to the Parent Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Non-U.S. Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Parent Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Parent Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax under FATCA if such Lender were to fail to comply with the applicable requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Parent Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Parent Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Parent Borrower or the Administrative Agent as may be necessary for the Parent Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), and notwithstanding the definition thereof, "FATCA" shall include any and all amendments made to FATCA after the date of this Agreement.

(iii) Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Parent Borrower and the Administrative Agent in writing of its legal inability to do so.

(g) If any party determines, in its reasonable discretion, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.14 (including by the payment of additional amounts pursuant to this Section 2.14), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) Each party's obligations under this Section 2.14 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Revolving Commitments and the repayment, satisfaction or discharge of all obligations under the Loan Documents.

(i) For purposes of this Section 2.14 and the relevant defined terms used therein, (A) the term "applicable law" includes FATCA and (B) the term "Lender" includes the Issuing Lenders.

(j) For purposes of determining withholding Taxes imposed under FATCA, from and after the Closing Date, the Parent Borrower and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) this Agreement as not qualifying as a "grandfathered obligation" within the meaning of Treasury Regulations Section 1.1471-2(b)(2)(i).

2.15 Indemnity. Each Borrower agrees to indemnify each Lender for, and to hold each Lender harmless from, any loss or expense that such Lender may sustain or incur as a consequence of (a) default by such Borrower in making a borrowing of, conversion into or continuation of Eurocurrency Loans or EURIBOR Loans after such Borrower has given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by such Borrower in making any prepayment of or conversion from Eurocurrency Loans or EURIBOR Loans after such Borrower has given a notice thereof in accordance with the provisions of this Agreement or (c) the making of a prepayment of Eurocurrency Loans or EURIBOR Loans on a day that is not the last day of an Interest Period with respect thereto. Such indemnification may include an amount equal to the excess, if any, of (i) the amount of interest that would have accrued on the amount so prepaid, or not so borrowed, converted or continued, for the period from the date of such prepayment or of such failure to borrow, convert or continue to the last day of such Interest Period (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such Loans provided for herein (excluding, however, the Applicable Margin included therein, if any) over (ii) the

amount of interest (as reasonably determined by such Lender) that would have accrued to such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank eurodollar market. A certificate as to any amounts payable pursuant to this Section submitted to the Parent Borrower by any Lender shall be conclusive in the absence of manifest error. This covenant shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

2.16 Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.13, 2.14(a), or 2.14(d) with respect to such Lender, it will, if requested by the Parent Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event with the object of avoiding the consequences of such event; provided, that such designation is made on terms that, in the sole judgment of such Lender, cause such Lender and its lending offices to suffer no material economic, legal or regulatory disadvantage, and provided, further, that nothing in this Section shall affect or postpone any of the obligations of any Borrower or the rights of any Lender pursuant to Section 2.13, 2.14(a), or 2.14(d).

2.17 Replacement of Lenders. The Parent Borrower shall be permitted to replace any Lender that (a) requests (or any Participant to which such Lender sold a participation requests) reimbursement for amounts owing pursuant to Section 2.13, 2.14(a) or 2.14(d), (b) becomes a Defaulting Lender, or (c) does not consent to any proposed amendment, supplement, modification, consent or waiver of any provision of this Agreement or any other Loan Document that requires the consent of each of the Lenders or each of the Lenders affected thereby (so long as the consent of the Required Lenders (with the percentage in such definition being deemed to be 50% for this purpose) has been obtained), with a replacement financial institution; provided that (i) such replacement does not conflict with any Requirement of Law, (ii) no Event of Default shall have occurred and be continuing at the time of such replacement, (iii) prior to any such replacement, such Lender (or Participant, as applicable) shall have taken no action under Section 2.16 so as to eliminate the continued need for payment of amounts owing pursuant to Section 2.13, 2.14(a), or 2.14(d), (iv) the replacement financial institution shall purchase, at par, all Loans and other amounts owing to such replaced Lender (or Participant, as applicable) on or prior to the date of replacement, (v) the applicable Borrower shall be liable to such replaced Lender (or Participant, as applicable) under Section 2.15 if any Eurocurrency Loan or EURIBOR Loan owing to such replaced Lender (or Participant, as applicable) shall be purchased other than on the last day of the Interest Period relating thereto, (vi) except in the case of a Participant, the replacement financial institution shall be reasonably satisfactory to the Administrative Agent, (vii) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 10.6 (provided that the Parent Borrower shall be obligated to pay the registration and processing fee referred to therein), (viii) until such time as such replacement shall be consummated, the Borrowers shall pay all additional amounts (if any) required pursuant to Section 2.13, 2.14(a), or 2.14(d), as the case may be and (ix) any such replacement shall not be deemed to be a waiver of any rights that any Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender (or Participant, as applicable). Each party hereto agrees that an assignment required pursuant to this paragraph may be effected pursuant to an Assignment and Assumption executed by the Borrowers, the Administrative Agent and the assignee, and that the Lender (or Participant, as applicable) required to make such assignment need not be a party thereto in order for such assignment to be effective.

2.18 Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unfunded portion of the Revolving Commitment of such Defaulting Lender pursuant to Section 2.3(a) (it being understood, for the avoidance of doubt, that the Parent Borrower shall have no obligation to retroactively pay such fees after such Lender ceases to be a Defaulting Lender);

(b) the Revolving Commitment and Revolving Extensions of Credit of such Defaulting Lender shall not be included in determining whether the Required Lenders or the Supermajority Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 10.1); provided, that this clause (b) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of such Lender or each Lender affected thereby;

(c) Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 8 or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 10.7 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, as the Parent Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *third*, if so determined by the Administrative Agent and the Parent Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement; *fourth*, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *fifth*, so long as no Default or Event of Default exists, to the payment of any amounts owing to a Borrower as a result of any judgment of a court of competent jurisdiction obtained by such Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *sixth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made at a time when the conditions set forth in Section 5.2 were satisfied or waived, such payment shall be applied solely to pay the Loans of all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans are held by the Lenders pro rata in accordance with the Revolving Commitments. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post cash collateral pursuant to this Section 2.18(c) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto;

(d) if any L/C Exposure exists at the time such Lender becomes a Defaulting Lender then:

(i) all or any part of the L/C Exposure of such Defaulting Lender shall be reallocated among the Multicurrency Lenders that are non-Defaulting Lenders in accordance with their respective Multicurrency Revolving Percentages but only to the extent the sum of all non-Defaulting Lenders' Revolving Multicurrency Extensions of Credit plus such Defaulting Lender's L/C Exposure does not exceed the total of all non-Defaulting Lenders' Multicurrency Commitments;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, each Borrower shall within one Business Day following notice by the Administrative

Agent cash collateralize for the benefit of the Issuing Lenders only such Borrower's obligations corresponding to such Defaulting Lender's L/C Exposure (after giving effect to any partial reallocation pursuant to clause (i) above), if any, in accordance with the procedures set forth in Section 3.9 for so long as such L/C Exposure is outstanding;

(iii) if a Borrower cash collateralizes any portion of such Defaulting Lender's L/C Exposure pursuant to clause (ii) above, such Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 3.3(a) with respect to such Defaulting Lender's L/C Exposure during the period such Defaulting Lender's L/C Exposure is cash collateralized;

(iv) if the L/C Exposure of the Multicurrency Lenders that are non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Section 2.3(a) and Section 3.3(a) shall be adjusted in accordance with such non-Defaulting Multicurrency Lenders' Multicurrency Revolving Percentages; and

(v) if all or any portion of such Defaulting Lender's L/C Exposure is neither reallocated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of the Issuing Lenders or any other Lender hereunder, all fees payable under Section 3.3(a) with respect to such Defaulting Lender's L/C Exposure shall be payable to the applicable Issuing Lenders until and to the extent that such L/C Exposure is reallocated and/or cash collateralized; and

(e) so long as such Lender is a Defaulting Lender, the Issuing Lenders shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure and the Defaulting Lender's then outstanding L/C Exposure will be 100% covered by the Multicurrency Commitments of the Multicurrency Lenders that are non-Defaulting Lenders and/or cash collateral will be provided by the applicable Borrower in accordance with Section 2.18(d), and participating interests in any newly issued or increased Letter of Credit shall be allocated among Multicurrency Lenders that are non-Defaulting Lenders in a manner consistent with Section 2.18(d)(i) (and such Defaulting Lender shall not participate therein). Subject to Section 10.20, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a non-Defaulting Lender as a result of such non-Defaulting Lender's increased exposure following such reallocation.

(f) If (i) a Bankruptcy Event or a Bail-In Action with respect to a Lender Parent of any Lender shall occur following the date hereof and for so long as such event shall continue or (ii) an Issuing Lender has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, no Issuing Lender shall be required to issue, amend or increase any Letter of Credit, unless such Issuing Lender, as the case may be, shall have entered into arrangements with the applicable Borrower or such Lender, satisfactory to such Issuing Lender, as the case may be, to defease any risk to it in respect of such Lender hereunder.

(g) In the event that the Administrative Agent, the Parent Borrower and the Issuing Lenders each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the L/C Exposure of the Multicurrency Lenders shall be readjusted to reflect the inclusion of such Lender's Multicurrency Commitment and on such date such Lender shall purchase at par such of the Multicurrency Loans of the other Lenders as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Multicurrency Loans in accordance with its Multicurrency Revolving Percentage.

2.19 [Reserved].

2.19 Incremental Commitments. (a) The Borrowers and any one or more Lenders (including New Lenders) may from time to time prior to the Initial Revolving Termination Date agree that such Lenders shall make, obtain or increase the amount of their Revolving Commitments of a particular Class (each, a "Commitment Increase") by executing and delivering to the Administrative Agents an Increased Facility Activation Notice specifying (i) the amount of such increase, (ii) the applicable Class and (iii) the applicable Increased Facility Closing Date; provided that immediately prior to and after giving effect to any such increase in the Revolving Commitments (i) no Default or Event of Default shall have occurred and be continuing and (ii) each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct in all material respects (or, if such representations and warranties are qualified by materiality, in all respects) on and as of such date as if made on and as of such date (except that any representations and warranties which expressly relate to an earlier date shall be true and correct in all material respects (or, if such representations and warranties are qualified by materiality, in all respects) as of such earlier date). Notwithstanding the foregoing, (i) without the consent of the Required Lenders, the aggregate amount of incremental Revolving Commitments obtained after the Closing Date pursuant to this paragraph shall not exceed the Maximum Permitted Increase Amount, and (ii) without the consent of the Administrative Agent, (x) each increase effected pursuant to this paragraph shall be in a minimum amount of at least $25,000,000 and (y) no more than five Increased Facility Closing Dates may be selected by the Borrowers after the Closing Date. No Lender shall have any obligation to participate in any increase described in this paragraph unless it agrees to do so in its sole discretion.

(b) Any additional bank, financial institution or other entity which, with the consent of the Parent Borrower and the Administrative Agent (which consent shall not be unreasonably withheld), elects to become a "Lender" under this Agreement in connection with any transaction described in Section 2.19(a) shall execute a New Lender Supplement (each, a "New Lender Supplement"), substantially in the form of Exhibit H, whereupon such bank, financial institution or other entity (a "New Lender") shall become a Lender for all purposes and to the same extent as if originally a party hereto and shall be bound by and entitled to the benefits of this Agreement.

(c) Upon each Increased Facility Closing Date, the Borrowers shall (A) prepay the outstanding Revolving Loans of the applicable Class (if any) in full, (B) simultaneously borrow new Revolving Loans of such Class hereunder in an amount equal to such prepayment (in the case of (i) Eurocurrency Loans, with Adjusted LIBO Rates equal to the outstanding Adjusted LIBO Rate and (ii) EURIBOR Loans, with Adjusted EURIBO Rates equal to the outstanding Adjusted EURIBO Rate and, in either case, with Interest Period(s) ending on the date(s) of any then outstanding Interest Period(s)), as applicable (as modified hereby); provided that with respect to subclauses (A) and (B), (x) the prepayment to, and borrowing from, any existing Lender of such Class shall be effected by book entry to the extent that any portion of the amount prepaid to such Lender will be subsequently borrowed from such Lender and (y) the existing Lenders of such Class (including existing Lenders of such Class providing a Commitment Increase, if applicable) and the New Lenders shall make and receive payments among themselves, in a manner acceptable to the Administrative Agent, so that, after giving effect thereto, the Revolving Loans of such Class are held ratably by such existing Lenders and New Lenders of such Class in accordance with the respective Revolving Commitments of such Class of such Lenders (after giving effect to such Commitment Increase) and (C) pay to the Lenders of such Class the amounts, if any, payable under Section 2.15 as a result of any such prepayment. Concurrently therewith, with respect to any Commitment Increase in respect of Multicurrency Commitments, the Multicurrency Lenders shall be deemed to have adjusted their participation interests in any outstanding Letters of Credit so that such interests are held ratably in accordance with their Multicurrency Commitments as so increased. The Administrative Agent and the Lenders hereby agree that the minimum borrowing, pro rata borrowing and pro rata payment requirements contained elsewhere in this Agreement shall not apply to the transactions effected pursuant to this clause (c).

2.20 Revolving Termination Date Extension. Notwithstanding anything herein to the contrary, the Parent Borrower may, at its election by written notice to the Administrative Agent (which shall promptly notify each of the Lenders) (each such election, an "Extension Option", the date of such election, the "Extension Date") extend the Revolving Commitments and Revolving Loans (such extended Revolving Commitments, the "Extended Commitments" and such extended Revolving Loans, the "Extended Loans") for additional terms of 6 months each (the "Extended Termination Date"), subject to the following terms and conditions:

(i) there shall be no more than two (2) Extension Options exercised during the term of this Agreement;

(ii) no Default or Event of Default shall have occurred or be continuing on the date of such written notice and on the Initial Revolving Termination Date or first Extended Termination Date, as applicable, or would result from the exercise of any Extension Option;

(iii) each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct in all material respects (or, if such representations and warranties are qualified by materiality, in all respects) on and as of the date of such written notice and on and as of such Extension Date (and after giving effect to such Extension Option) as if made on and as of such dates (except that any representations and warranties which expressly relate to an earlier date shall be true and correct in all material respects (or, if such representations and warranties are qualified by materiality, in all respects) as of such earlier date);

(iv) the Parent Borrower shall make the request for such Extension Option not earlier than 90 days and not later than 30 days prior to the Initial Revolving Termination Date, or first Extended Termination Date, as applicable;

(v) the latest Extended Termination Date shall be no later than the Latest Termination Date; and

(vi) the Parent Borrower shall pay or cause to be paid to each Lender on each such Extension Date a fee equal to 0.10% of the amount of the then existing aggregate Revolving Commitments of such Lender.

2.21 Designation of Subsidiary Borrowers.

(a) The Parent Borrower shall be permitted, so long as no Default or Event of Default shall have occurred and be continuing:

(i) to designate any Wholly-Owned Subsidiary of the Parent Borrower that is a Subsidiary organized in the United States or an Eligible Jurisdiction as a Subsidiary Borrower under the Revolving Facility upon (A) fifteen Business Days' prior written notice (or such shorter period as may be agreed by the Administrative Agent in its sole discretion) to the Administrative Agent (which shall promptly deliver such notice to the Lenders) (a "Notice of Designation"), which shall contain the name, primary business address and taxpayer identification number of such Subsidiary, (B) the execution and delivery by the Parent Borrower, such Subsidiary and the Administrative Agent of a Subsidiary Borrower Joinder Agreement substantially in the form of Exhibit J (a "Subsidiary Borrower Joinder Agreement"), providing for such Subsidiary to become a Subsidiary Borrower, and the consent of the Administrative Agent to such joinder, evidenced by its acknowledgement signature thereto, (C) compliance by the Parent Borrower and such

Subsidiary Borrower with Section 6.10(f), (D) delivery by the Parent Borrower or such Subsidiary Borrower of all documentation and information as is reasonably requested in writing by the Lenders at least ten days prior to the anticipated effective date of such designation required under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the PATRIOT Act, (E) to the extent the Subsidiary Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, delivery of a Beneficial Ownership certification in relation to such Subsidiary Borrower at least five days prior to the anticipated effective date of such designation, to the extent any Lender has requested in a written notice to the Parent Borrower at least 10 days prior to such anticipated effective date of such designation and (F) the delivery to the Administrative Agent of (1) corporate or other applicable resolutions, certificates of incorporation or other applicable constituent documents, officer's certificates, good standing certificates and legal opinions in respect of such Subsidiary as may be required by the Administrative Agent, in each case reasonably equivalent to comparable documents delivered on the Closing Date and (2) such other documents with respect thereto as the Administrative Agent shall reasonably request; provided that, in the case of this clause (i), prior to the date of designation of such Subsidiary Borrower, the Administrative Agent shall not have received notice from any Lender that an extension of credit to such Subsidiary shall contravene any law or regulation applicable to such Lender; and

(ii) So long as no Default or Event of Default shall have occurred and be continuing, to remove any Subsidiary as a Subsidiary Borrower upon execution and delivery by the Parent Borrower to the Administrative Agent of a written notification to such effect and repayment in full of all Loans made to such Subsidiary Borrower, cash collateralization of all L/C Obligations in respect of any Letters of Credit issued for the account of such Subsidiary Borrower and repayment in full of all other amounts owing by such Subsidiary Borrower under this Agreement and the other Loan Documents (it being agreed that any such repayment or cash collateralization shall be in accordance with the other terms of this Agreement) (a "Termination Letter"). The delivery of a Termination Letter with respect to any Subsidiary Borrower shall not terminate (x) any Obligation of such Subsidiary Borrower that remains unpaid at the time of such delivery or (y) the Obligations of the Parent Borrower with respect to any such unpaid Obligations.

(b) Notwithstanding anything to the contrary contained herein or in any other Loan Document, the Administrative Agent is hereby irrevocably authorized by each Lender (without requirement of notice to or consent of any Lender) to enter into such amendments to the Security Documents and/or such new Security Documents as are necessary or advisable, as reasonably determined by the Administrative Agent, in order to effect the provisions of Section 6.10(f).

(c) Each Subsidiary of the Parent Borrower that is or becomes a "Subsidiary Borrower" pursuant to this Section 2.21 hereby irrevocably appoints the Parent Borrower as its agent for all purposes relevant to this Agreement and each of the other Loan Documents, including (i) the giving and receipt of notices and (ii) the execution and delivery of all documents, instruments and certificates contemplated herein and all modifications hereto. Any acknowledgment, consent, direction, certification or other action which might otherwise be valid or effective only if given or taken by all Borrowers, or by each Borrower acting singly, shall be valid and effective if given or taken only by the Parent Borrower, whether or not any such other Borrower joins therein. Any notice, demand, consent, acknowledgement, direction, certification or other communication delivered to the Parent Borrower in accordance with the terms of this Agreement shall be deemed to have been delivered to each Subsidiary Borrower.

(d) Notwithstanding anything to the contrary in this Agreement, a Lender shall not be required to make a Loan as part of any borrowing by or to issue or acquire a participation in any Letter of Credit issued for the account of, a Foreign Subsidiary with respect to which the Parent Borrower has

delivered a Notice of Designation (a "Proposed Foreign Subsidiary Borrower") if the making of such Loan or the issuance by such Lender or the acquisition by such Lender (or, if such Lender is the Issuing Lender, the acquisition by any other Lender) of a participation in, such Letter of Credit (x) would violate any law or regulation (including any violation of any law or regulation due to an absence of licensing) to which such Lender is subject, (y) would be prohibited by internal rules or policies applicable to such Lender or (z) would result in material adverse tax consequences for such Lender, as reasonably determined by such Lender. As soon as practicable after receiving a Notice of Designation from the Parent Borrower in respect of a Proposed Foreign Subsidiary Borrower, and in any event no later than seven Business Days after the date of such Notice of Designation, any Lender that is (x) restricted by any law or regulation (including due to an absence of licensing) to which such Lender is subject, (y) prohibited by internal rules or policies or (z) reasonably expected to incur material adverse tax consequences from extending credit (including, for the avoidance of doubt, making Loans, issuing Letters of Credit or acquiring participations in Letters of Credit) under this Agreement to such Proposed Foreign Subsidiary Borrower directly or through an Affiliate of such Lender as set forth in Section 2.21(c) (an "Objecting Lender") shall so notify the Parent Borrower and the Administrative Agent in writing. With respect to each Objecting Lender that has not withdrawn such notice, the Parent Borrower shall, effective on or before the date that such Proposed Foreign Subsidiary Borrower shall have the right to borrow hereunder, either (A) exercise its rights with respect to such Objecting Lender pursuant to Section 2.17 or (B) cancel its request to designate such Proposed Foreign Subsidiary Borrower as a Subsidiary Borrower hereunder.

(e) In addition to the foregoing requirements, if the Parent Borrower shall deliver a Notice of Designation with respect to a Proposed Foreign Subsidiary Borrower, any Lender may, with notice to the Administrative Agent and the Parent Borrower, fulfill its Commitment by causing an Affiliate of such Lender to act as the Lender in respect of such Proposed Foreign Subsidiary Borrower. Additionally, (x) such Lender's obligations under this Agreement shall remain unchanged, (y) such Lender shall remain solely responsible to the other parties hereto for the performance of those obligations, and (z) the Parent Borrower, any other Borrower, the Administrative Agent, the Lenders and the Issuing Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement.

SECTION 3. LETTERS OF CREDIT

3.1 L/C Commitment. (a) Subject to the terms and conditions hereof, each Issuing Lender, in reliance on the agreements of the other Multicurrency Lenders set forth in Section 3.4(a), agrees to issue letters of credit ("Letters of Credit") for the account of any Borrower on any Business Day during the Revolving Commitment Period in such form as may be approved from time to time by such Issuing Lender; provided that such Issuing Lender shall have no obligation to issue any Letter of Credit if, after giving effect to such issuance, (i) the L/C Obligations of such Issuing Lender would exceed the L/C Commitment of such Issuing Lender then in effect, (ii) the aggregate amount of the Available Multicurrency Commitments would be less than zero or (iii) the Total Revolving Extensions of Credit would exceed the Maximum Permitted Outstanding Amount. Each Letter of Credit shall (i) be denominated in Dollars or an Agreed Foreign Currency and (ii) except as provided in Section 3.1(b) below, expire no later than the earlier of (x) the first anniversary of its date of issuance and (y) the date that is five Business Days prior to the Revolving Termination Date, provided that any Letter of Credit with a one-year term may provide for the renewal thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (y) above).

(b) If requested by a Borrower, each Issuing Lender agrees to issue one or more Letters of Credit hereunder, with expiry dates that would occur after the fifth (5^{th}) Business Day prior to the Revolving Termination Date, based upon agreement of the applicable Borrower to cash collateralize the

L/C Obligations in accordance with Section 3.9. If such Borrower fails to cash collateralize the outstanding L/C Obligations in accordance with the requirements of Section 3.9, each outstanding Letter of Credit shall automatically be deemed to be drawn in full on such date and the reimbursement obligations of the such Borrower set forth in Section 3.5 shall be deemed to apply and shall be construed such that the reimbursement obligation is to provide cash collateral in accordance with the requirements of Section 3.9.

(c) The applicable Borrower shall grant to the Administrative Agent for the benefit of each Issuing Lender and the Lenders, pursuant to the Guarantee and Collateral Agreement, a security interest in all cash, deposit accounts and all balances therein and all proceeds of the foregoing as required to be deposited pursuant to Section 3.1(b) or Section 3.9. Cash collateral shall be maintained in blocked, interest bearing deposit accounts at JPMorgan Chase Bank, N.A. (or any affiliate thereof) (the "L/C Cash Collateral Account"). All interest on such cash collateral shall be paid to the applicable Borrower upon its request, provided that such interest shall first be applied to all outstanding Obligations at such time and the balance shall be distributed to such Borrower.

(d) No Issuing Lender shall at any time be obligated to issue any Letter of Credit if (i) such issuance would conflict with, or cause such Issuing Lender or any L/C Participant to exceed any limits imposed by, any applicable Requirement of Law, (ii) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain such Issuing Lender from issuing the Letter of Credit, or any law applicable to such Issuing Lender or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such Issuing Lender shall prohibit, or request that such Issuing Lender refrain from, the issuance of letters of credit generally or the Letter of Credit in particular or shall impose upon such Issuing Lender with respect to the Letter of Credit any restriction, reserve or capital requirement (for which such Issuing Lender is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon such Issuing Lender any unreimbursed loss, cost or expense which was not applicable on the Closing Date, which such Issuing Lender in good faith deems material to it and which is not subject to indemnification obligations of the applicable Borrower hereunder or (iii) issuance of the Letter of Credit would violate one or more policies of such Issuing Lender applicable to letters of credit generally.

(e) Unless otherwise expressly agreed by the applicable Issuing Lender and the applicable Borrower when a Letter of Credit is issued, (i) the rules of the ISP shall apply to each standby Letter of Credit, and (ii) the rules of the UCP shall apply to each commercial Letter of Credit. Notwithstanding the foregoing, no Issuing Lender shall be responsible to the Borrowers, and no Issuing Lender's rights and remedies against the Borrowers shall be impaired by, any action or inaction of such Issuing Lender required or permitted under any law, order, or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the law or any order of a jurisdiction where an Issuing Lender or the beneficiary is located, the practice stated in the ISP or UCP, as applicable, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade - International Financial Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such law or practice.

(f) In the event of any conflict between the terms hereof and the terms of any Application, the terms hereof shall control.

3.2 Procedure for Issuance of Letter of Credit. Any Borrower may from time to time request that any Issuing Lender issue a Letter of Credit by delivering to such Issuing Lender at its address for notices specified herein an Application therefor, completed to the satisfaction of such Issuing Lender, and such other certificates, documents and other papers and information as such Issuing Lender may

reasonably request. Upon receipt of any Application, the relevant Issuing Lender will process such Application and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and shall promptly issue the Letter of Credit requested thereby (but in no event shall any Issuing Lender be required to issue any Letter of Credit earlier than three Business Days after its receipt of the Application therefor and all such other certificates, documents and other papers and information relating thereto) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed to by the relevant Issuing Lender and the applicable Borrower. The relevant Issuing Lender shall furnish a copy of such Letter of Credit to the relevant Borrower promptly following the issuance thereof. The relevant Issuing Lender shall promptly furnish to the Administrative Agent, which shall in turn promptly furnish to the Lenders, notice of the issuance of each Letter of Credit (including the amount and the Currency thereof).

3.3 Fees and Other Charges. (a) Subject to Section 2.18(d)(iii), each Borrower agrees to pay a fee on the Dollar Equivalent all of its outstanding Letters of Credit at a per annum rate equal to the Applicable Margin then in effect with respect to Eurocurrency Loans under the Revolving Facility, shared ratably among the Multicurrency Lenders and payable quarterly in arrears on each Fee Payment Date after the issuance date. In addition, the applicable Borrower shall pay to the relevant Issuing Lender for its own account a fronting fee of 0.25% per annum on the Dollar Equivalent of the undrawn and unexpired amount of each Letter of Credit issued by such Issuing Lender on its behalf, payable quarterly in arrears to the relevant Issuing Lender on each Fee Payment Date after the issuance date. Participation fees and fronting fees in respect of Letters of Credit shall be paid in Dollars.

(b) In addition to the foregoing fees, the applicable Borrower agrees to pay or reimburse each Issuing Lender for such normal and customary costs and expenses as are incurred or charged by such Issuing Lender in issuing, negotiating, effecting payment under, amending or otherwise administering any Letter of Credit.

3.4 L/C Participations. (a) Each Issuing Lender irrevocably agrees to grant and hereby grants to each L/C Participant, and, to induce such Issuing Lender to issue Letters of Credit, each L/C Participant irrevocably agrees to accept and purchase and hereby accepts and purchases from such Issuing Lender, on the terms and conditions set forth below, for such L/C Participant's own account and risk an undivided interest equal to such L/C Participant's Multicurrency Revolving Percentage in such Issuing Lender's obligations and rights under and in respect of each Letter of Credit and the amount, in the Currency of such Letter of Credit, of each draft paid by such Issuing Lender thereunder. Each L/C Participant agrees with each Issuing Lender that, if a draft is paid under any Letter of Credit for which such Issuing Lender is not reimbursed in full by the applicable Borrower in accordance with the terms of this Agreement (or in the event that any reimbursement received by such Issuing Lender shall be required to be returned by it at any time) ("Unreimbursed Amounts"), such L/C Participant shall pay to such Issuing Lender upon demand at such Issuing Lender's address for notices specified herein an amount equal to such L/C Participant's Multicurrency Revolving Percentage of the amount that is not so reimbursed (or is so returned) in the Currency of such outstanding amount. Each L/C Participant's obligation to pay such amount shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such L/C Participant may have against any Issuing Lender, any Borrower or any other Person for any reason whatsoever, (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Section 5, (iii) any adverse change in the condition (financial or otherwise) of any Borrower, (iv) any breach of this Agreement or any other Loan Document by any Borrower, any other Loan Party or any other L/C Participant or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

(b) If any amount required to be paid by any L/C Participant to any Issuing Lender pursuant to Section 3.4(a) in respect of any unreimbursed portion of any payment made by such Issuing Lender under any Letter of Credit is not paid to such Issuing Lender within three Business Days after the date such payment is due, such L/C Participant shall pay to such Issuing Lender on demand an amount equal to the product of (i) such amount, times (ii) the greater of (x) (i) in the case of Letters of Credit denominated in Dollars, the daily average Federal Funds Effective Rate during the period from and including the date such payment is required to the date on which such payment is immediately available to the relevant Issuing Lender and (ii) in the case of Letters of Credit denominated in an Agreed Foreign Currency, the overnight rate for the applicable Currency determined by the Administrative Agent from such service as the Administrative Agent may select and (y) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, times (iii) a fraction the numerator of which is the number of days that elapse during such period and the denominator of which is 360. If any such amount required to be paid by any L/C Participant pursuant to Section 3.4(a) is not made available to the relevant Issuing Lender by such L/C Participant within three Business Days after the date such payment is due, such Issuing Lender shall be entitled to recover from such L/C Participant, on demand, such amount with interest thereon calculated from such due date at a rate per annum equal to the greater of (x) (i) in the case of any such amount denominated in Dollars, the rate per annum applicable to ABR Loans under the Revolving Facility and (ii) in the case of any such amount denominated in an Agreed Foreign Currency, the overnight rate for the applicable Currency determined by the Administrative agent from such service as the Administrative Agent may select and (y) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. A certificate of the relevant Issuing Lender submitted to any L/C Participant with respect to any amounts owing under this Section shall be conclusive in the absence of manifest error.

(c) Whenever, at any time after any Issuing Lender has made payment under any Letter of Credit and has received from any L/C Participant its pro rata share of such payment in accordance with Section 3.4(a), such Issuing Lender receives any payment related to such Letter of Credit (whether directly from the applicable Borrower or otherwise, including proceeds of collateral applied thereto by such Issuing Lender), or any payment of interest on account thereof, such Issuing Lender will distribute to such L/C Participant its pro rata share thereof; provided, however, that in the event that any such payment received by such Issuing Lender shall be required to be returned by such Issuing Lender, such L/C Participant shall return to such Issuing Lender the portion thereof previously distributed by such Issuing Lender to it.

3.5 Reimbursement Obligation of the Borrowers. If any draft is paid under any Letter of Credit, the applicable Borrower shall reimburse the relevant Issuing Lender for the amount of (a) the draft so paid and (b) any taxes, fees, charges or other costs or expenses incurred by such Issuing Lender in connection with such payment, not later than 12:00 Noon, New York City time, on (i) the Business Day that the Parent Borrower or the applicable Borrower receives notice of such draft, if such notice is received on such day prior to 10:00 A.M., New York City time, or (ii) if clause (i) above does not apply, the Business Day immediately following the day that the Parent Borrower or the applicable Borrower receives such notice. Each such payment shall be made to the relevant Issuing Lender at its address for notices referred to herein in the Currency of such draft and in immediately available funds. Interest shall be payable on any such amounts from the date on which the relevant draft is paid until payment in full at the rate set forth in (x) until the Business Day next succeeding the date of the relevant notice, Section 2.9(b) and (y) thereafter, Section 2.9(d). If any Borrower’s reimbursement of, or obligation to reimburse, any amounts in any Foreign Currency would subject the Administrative Agent, the relevant Issuing Lender or any Multicurrency Lender to any stamp duty, ad valorem charge or similar tax that would not be payable if such reimbursement were made or required to be made in Dollars, such Borrower shall, at its option, either (x) pay the amount of any such tax requested by the Administrative Agent, the relevant Issuing Lender or the relevant Multicurrency Lender or (y) reimburse each draft under such Letter of

Credit made in such Foreign Currency in Dollars, in an amount equal to the Dollar Equivalent of such draft.

3.6 Obligations Absolute. The Borrowers' obligations under this Section 3 shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment that the Borrowers may have or have had against any Issuing Lender, any beneficiary of a Letter of Credit or any other Person. The Borrowers also agree with each Issuing Lender that such Issuing Lender shall not be responsible for, and the Borrowers' Obligations under Section 3.5 shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, or any dispute between or among the applicable Borrower and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of the applicable Borrower against any beneficiary of such Letter of Credit or any such transferee. No Issuing Lender shall be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit, except for errors or omissions found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Issuing Lender. The Borrowers agree that any action taken or omitted by any Issuing Lender under or in connection with any Letter of Credit or the related drafts or documents, if done in the absence of gross negligence or willful misconduct, shall be binding on the Borrowers and shall not result in any liability of such Issuing Lender to any Borrower. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

3.7 Letter of Credit Payments. If any draft shall be presented for payment under any Letter of Credit, the relevant Issuing Lender shall promptly notify the Parent Borrower and/or the applicable Borrower of the date, amount and Currency thereof. The responsibility of the relevant Issuing Lender to the relevant Borrower in connection with any draft presented for payment under any Letter of Credit shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment are substantially in conformity with such Letter of Credit.

3.8 Applications. To the extent that any provision of any Application related to any Letter of Credit is inconsistent with the provisions of this Section 3, the provisions of this Section 3 shall apply.

3.9 Actions in Respect of Letters of Credit.

(a) Not later than the date that is ten (10) Business Days prior to the Revolving Termination Date, or at any time after the Revolving Termination Date when the aggregate funds on deposit in the L/C Cash Collateral Account shall be less than the amounts required herein, each Borrower with any Letters of Credit then outstanding shall pay to the Administrative Agent in immediately available funds in the applicable Currency, at the Administrative Agent's office referred to in Section 10.2, for deposit in the L/C Cash Collateral Account described in Section 3.1(c), the amount required so that, after such payment, the aggregate funds on deposit in the L/C Cash Collateral Account are not less than 105% of the sum of all outstanding L/C Obligations with an expiration date beyond the Revolving Termination Date.

(b) The Administrative Agent may, from time to time after funds are deposited in any L/C Cash Collateral Account, apply funds then held in such L/C Cash Collateral Account to the payment of any amounts, in accordance with the terms herein, as shall have become or shall become due and payable by the Borrowers to the Issuing Lenders or Multicurrency Lenders in respect of the L/C Obligations. The Administrative Agent shall promptly give written notice of any such application; provided, however, that the failure to give such written notice shall not invalidate any such application.

3.10 Reporting. Unless otherwise requested by the Administrative Agent, each Issuing Lender shall report in writing to the Administrative Agent (i) on each Business Day, the aggregate undrawn amount of all outstanding Letters of Credit issued by it, (ii) on each Business Day on which such Issuing Lender expects to issue, amend, renew or extend any Letter of Credit, the aggregate face amount of the Letters of Credit to be issued, amended, renewed or extended by it on such date, and no Issuing Lender shall be permitted to issue, amend, renew or extend such Letter of Credit without first notifying the Administrative Agent as set forth herein, (iii) on each Business Day on which such Issuing Lender makes any payment pursuant to a Letter of Credit (including in respect of a time draft presented thereunder), the date of such payment and the amount of such payment and (iv) on any other Business Day, such other information as the Administrative Agent shall reasonably request, including but not limited to prompt verification of such information as may be requested by the Administrative Agent.

SECTION 4. REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the Lenders to enter into this Agreement and to make the Loans and issue or participate in the Letters of Credit, each Borrower hereby represents and warrants to the Administrative Agent and each Lender that:

4.1 Financial Condition.

(a) The audited consolidated balance sheets of each of the CLNS Contributed Portfolio, NorthStar I and NorthStar II and their respective Consolidated Subsidiaries for the two most recently completed fiscal years ended at least 90 days before the Closing Date, and the related consolidated statements of income and of cash flows for the fiscal years ended on such dates, reported on by and accompanied by an unqualified report from Grant Thornton LLP, present fairly in all material respects the consolidated financial condition of each of the CLNS Contributed Portfolio, NorthStar I, NorthStar II and their respective Consolidated Subsidiaries, respectively, and the consolidated results of their operations and their consolidated cash flows for the respective fiscal years then ended. The unaudited consolidated balance sheets of each of the CLNS Contributed Portfolio, NorthStar I, NorthStar II and their respective Consolidated Subsidiaries delivered pursuant to Section 5.1(b)(ii), and the related unaudited consolidated statements of income and cash flows for such fiscal periods, present fairly the consolidated financial condition of each of the CLNS Contributed Portfolio, NorthStar I, NorthStar II and their respective Consolidated Subsidiaries as at such date. All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by the aforementioned firm of accountants and disclosed therein).

(b) The Pro Forma Financial Statements, copies of which have heretofore been furnished to each Lender, have been prepared giving effect to the Transactions as if the Transactions had occurred as of such date (in the case of such balance sheet) or at the beginning of such period (in the case of such statement of income). The Pro Forma Financial Statements have been prepared based on the best information available to the Parent Borrower as of the date of delivery thereof, and present fairly on a pro forma basis the estimated financial position of the Parent Borrower and its Consolidated Subsidiaries as at September 30, 2017, assuming that the events specified in the preceding sentence had actually occurred at such date.

(c) As of the Closing Date, no Group Member has any material Guarantee Obligations, contingent liabilities and liabilities for taxes, or any long-term leases or unusual forward or long-term commitments, including any interest rate or Foreign Currency swap or exchange transaction or other obligation in respect of derivatives, that are not reflected in the most recent financial statements referred to in subsections (a) and (b) of this Section 4.1.

4.2 No Change. Since December 31, 2016, there has been no development or event that has had or could reasonably be expected to have a Material Adverse Effect.

4.3 Existence; Compliance with Law. Each Group Member (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has the power and authority, and the legal right, to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged, (c) is duly qualified as a foreign corporation or other organization and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification and (d) is in compliance with its Organizational Documents and all Requirements of Law except in each case referred to in clauses (b), (c) and (d), to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

4.4 Power; Authorization; Enforceable Obligations. Each Loan Party has the power and authority, and the legal right, to make, deliver and perform the Loan Documents to which it is a party and, in the case of each Borrower, to obtain extensions of credit hereunder. Each Loan Party has taken all necessary organizational action to authorize the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of each Borrower, to authorize the extensions of credit on the terms and conditions of this Agreement. No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the extensions of credit hereunder or with the execution, delivery, performance, validity or enforceability of this Agreement or any of the Loan Documents, except (i) consents, authorizations, filings and notices which have been obtained or made and are in full force and effect and (ii) the filings referred to in Section 4.19. Each Loan Document has been duly executed and delivered on behalf of each Loan Party party thereto. This Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of each Loan Party party thereto, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

4.5 No Legal Bar. The execution, delivery and performance of this Agreement and the other Loan Documents, the issuance of Letters of Credit, the borrowings hereunder and the use of the proceeds thereof will not violate any Requirement of Law or any Organizational Document or Contractual Obligation of any Group Member, except where any such violation could not reasonably be expected to have a Material Adverse Effect and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any such Contractual Obligation (other than the Liens created by the Security Documents). No Requirement of Law or Contractual Obligation applicable to the Parent Borrower or any of its Subsidiaries could reasonably be expected to have a Material Adverse Effect.

4.6 Litigation. No litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Parent Borrower, threatened by or against any Group Member or against any of their respective properties or revenues (a) with respect to any of the

Loan Documents or any of the transactions contemplated hereby or thereby, or (b) that could reasonably be expected to have a Material Adverse Effect.

4.7 No Default. No Group Member is in default under or with respect to any of its Contractual Obligations in any respect that could reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

4.8 Ownership of Property; Liens. Each Group Member has title in fee simple to, or a valid leasehold interest in, all its real property, and good title to, or a valid leasehold interest in, all its other property necessary or used in the ordinary conduct of its business, except for such defects in title as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, and none of such property is subject to any Lien except as permitted by Section 7.3.

4.9 Intellectual Property. Each Group Member owns, or is licensed to use, all Intellectual Property necessary for the conduct of its business as currently conducted. Except for such claims as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, no claim has been asserted and is pending by any Person challenging or questioning the use of any Intellectual Property or the validity or effectiveness of any Intellectual Property, nor does any Borrower know of any valid basis for any such claim. Except as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, the use of Intellectual Property by each Group Member does not infringe on the rights of any Person.

4.10 Taxes. Each Group Member has timely filed or caused to be filed all Federal and state income Tax returns and any other material Tax returns that have been required to be filed (taking into account extensions) and has timely paid all such Taxes and assessments payable by it which have become due (other than any the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been established); no Liens for Taxes have been filed (other than Liens for Taxes not yet due or the amount or validity of which are being contested in good faith by appropriate proceedings, provided that adequate reserves with respect thereto are maintained in conformity with GAAP), and, to the knowledge of the Parent Borrower, as of the date hereof, no claim is being asserted with respect to any such Tax.

4.11 Federal Regulations. No part of the proceeds of any Loans, and no other extensions of credit hereunder, will be used for purchasing or "carrying" any "margin stock" or to extend credit to others for the purpose of purchasing or carrying margin stock within the respective meanings of each of the quoted terms under Regulation U as now and from time to time hereafter in effect or for any purpose that violates the provisions of Regulations T, U or X of the Board. No more than 25% of the assets of the Group Members consist of (or after applying the proceeds of the Loans will consist of) "margin stock" as so defined. If requested by any Lender or the Administrative Agent, the Borrowers will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U-1, as applicable, referred to in Regulation U.

4.12 Labor Matters. Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect: (a) there are no strikes or other labor disputes against any Group Member pending or, to the knowledge of the Parent Borrower, threatened; (b) hours worked by and payment made to employees of each Group Member have not been in violation of the Fair Labor Standards Act or any other applicable Requirement of Law dealing with such matters; and (c) all payments due from any Group Member on account of employee health and welfare insurance have been paid or accrued as a liability on the books of the relevant Group Member.

4.13 ERISA. Except as could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect: (a) each Group Member and each of their respective ERISA Affiliates is in compliance with the applicable provisions of ERISA and the provisions of the Code relating to Plans and the regulations and published interpretations thereunder; (b) no ERISA Event or Foreign Plan Event has occurred or is reasonably expected to occur; and (c) all amounts with respect to any retiree welfare benefit arrangement maintained by any Group Member or any ERISA Affiliate or to which any Group Member or any ERISA Affiliate has an obligation to contribute have been accrued, including in accordance with Accounting Standards Codification No. 715-60. Except as could not reasonably be expected to have a Material Adverse Effect, the present value of all accumulated benefit obligations under each Pension Plan did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of such Pension Plan allocable to such accrued benefits (determined in both cases using the applicable assumptions under Section 430 of the Code and the Treasury Regulations promulgated thereunder), and the present value of all accumulated benefit obligations of all underfunded Pension Plans did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of all such underfunded Pension Plans (determined in both cases using the applicable assumptions under Section 430 of the Code and the Treasury Regulations promulgated thereunder).

4.14 Investment Company Act. No Loan Party is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

4.15 Subsidiaries. As of the Closing Date, (a) part (A) of the certificate delivered pursuant to Section 5.1(j)(ii) sets forth the name and jurisdiction of incorporation of each Subsidiary and, as to each such Subsidiary, the percentage of each class of Capital Stock owned directly or indirectly by any Domestic Loan Party and (b) except as disclosed in part (B) of the certificate delivered pursuant to Section 5.1(j)(ii), there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock options granted to employees or directors and directors' qualifying shares) (x) of any nature relating to any Capital Stock of the Parent Borrower or any Wholly-Owned Subsidiary or (y) relating to any Capital Stock owned directly or indirectly by a Pledged Loan Party, Pledged Affiliate or Affiliated Holder of any Subsidiary that is not a Wholly-Owned Subsidiary that would reasonably be expected to materially adversely affect the value such Capital Stock from the perspective of the Administrative Agent or the Lenders, in each case except as created by the Loan Documents. For clarity, (i) the information required in this Section 4.15 may be depicted in an annotated structure chart which includes supplemental information other than the information expressly required pursuant to this Section 4.15 and (ii) the Parent Borrower makes no representation as to such supplemental information, which is provided to the Parent Borrower's knowledge for informational purposes only.

4.16 Use of Proceeds. The proceeds of the Revolving Loans and the Letters of Credit shall be used (x) on the Closing Date, to finance Transaction Costs (except any Transaction Costs paid to an Affiliate of a Lender that is not a Subsidiary of a Lender, which shall not be paid with proceeds of Revolving Loans) and (y) on and after the Closing Date, to finance the investment activities, working capital needs and general corporate purposes of the Parent Borrower and its Subsidiaries.

4.17 Environmental Matters. Except as, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect:

(a) each Group Member is in compliance with all, and has not violated any, applicable Environmental Laws;

(b) no Group Member has received any notice of violation, alleged violation, non-compliance, liability or potential liability or request for information regarding compliance with or liability under any Environmental Laws or regarding liability with respect to Materials of Environmental Concern, nor is any Group Member aware of any of the foregoing concerning any property owned, leased or operated by any Group Member;

(c) no Group Member has used, managed, stored, handled, transported, disposed of, or arranged for the disposal of, any Materials of Environmental Concern in violation of any applicable Environmental Law, or in a manner or at any location that could give rise to liability under, any applicable Environmental Law;

(d) no litigation, investigation or proceeding of or before any Governmental Authority or arbitrator is pending or, to the knowledge of the Parent Borrower, threatened, by or against any Group Member or against or affecting any property owned, leased or operated by any Group Member, under any Environmental Law or regarding any Materials of Environmental Concern; nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding against any Group Member or against or affecting any property owned, leased or operated by any Group Member, under any Environmental Law or regarding any Materials of Environmental Concern;

(e) Materials of Environmental Concern are not present at any property owned, leased or operated by any Group Member under circumstances or conditions that could result in liability to any Group Member or interfere with the use or operation of any such property; and

(f) no Group Member has assumed or retained, by contract or operation of law, any liability under Environmental Laws or regarding Materials of Environmental Concern.

4.18 Accuracy of Information, etc.

(a) No statement or information contained in this Agreement, any other Loan Document, or any other document, certificate or statement furnished by or on behalf of any Loan Party to the Administrative Agent or the Lenders, or any of them, for use in connection with the transactions contemplated by this Agreement or the other Loan Documents, contained as of the date such statement, information, document or certificate was so furnished, any untrue statement of a material fact or omitted to state a material fact necessary to make the statements contained herein or therein not materially misleading. The projections and pro forma financial information contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of the Parent Borrower to be reasonable at the time made, it being recognized by the Lenders that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount.

(b) As of the Second Amendment Effective Date, to the best knowledge of the Parent Borrower, the information included in the Beneficial Ownership Certification provided on or prior to the Second Amendment Effective Date in connection with this Agreement is true and correct in all respects.

4.19 Security Documents. The Guarantee and Collateral Agreement is effective to create in favor of the Administrative Agent, for the benefit of the Lenders, a legal, valid and enforceable security interest in the Collateral described therein and proceeds thereof. In the case of the Securities (as defined in the Guarantee and Collateral Agreement) that are certificated described in the Guarantee and Collateral Agreement, when stock certificates representing such Securities are delivered to the

Administrative Agent (together with a properly completed and signed stock power or endorsement), and in the case of the other Collateral described in the Guarantee and Collateral Agreement, when financing statements and other filings specified on Schedule 4.19 in appropriate form are filed in the offices specified on Schedule 4.19 and the other actions specified on Schedule 4.19 shall have been taken, the Guarantee and Collateral Agreement shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Domestic Loan Parties in such Collateral and the proceeds thereof, as security for the Obligations (as defined in the Guarantee and Collateral Agreement), in each case prior and superior in right to any other Person (except Liens permitted by Section 7.3(a), (h) and (n)).

4.20 Solvency. On the Closing Date, after giving effect to the transactions contemplated hereby (including the borrowing of Revolving Loans and the issuance of Letters of Credit, if any), the Loan Parties, on a consolidated basis, are Solvent.

4.21 Senior Indebtedness. The Obligations constitute "Senior Indebtedness" of the Borrowers. The obligations of each Subsidiary Guarantor under the Guarantee and Collateral Agreement constitute "Guarantor Senior Indebtedness" of such Subsidiary Guarantor.

4.22 Insurance. The properties of the Parent Borrower and its Subsidiaries are insured with financially sound and reputable insurance companies which are not Affiliates of the Parent Borrower, in such amounts with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the Parent Borrower or the applicable Subsidiary operates.

4.23 Anti-Corruption Laws and Sanctions. The Parent Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Parent Borrower, its Affiliates and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrowers and their Affiliates and, to the knowledge of the Borrowers, their respective officers, employees, directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects and are not knowingly engaged in any activity that would reasonably be expected to result in any Borrower being designated as a Sanctioned Person. None of (a) the Parent Borrower, any Subsidiary Borrower, any Affiliate of the foregoing or any of their respective directors, officers or employees, or (b) to the knowledge of any Borrower, any agent of any Borrower or any Affiliate thereof that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing or Letter of Credit, use of proceeds or other transaction contemplated by this Agreement will violate any Anti-Corruption Law or applicable Sanctions.

4.24 Stock Exchange Listing. The shares of common Capital Stock of the REIT Entity are listed on the New York Stock Exchange.

4.25 REIT Status. The REIT Entity at all times has operated its business in a manner to permit it to qualify for status as a REIT under the Code commencing with its first taxable year ended December 31, 2018. For each taxable year on or after the effective date of the REIT Entity's election to be treated as a REIT under the Code, the REIT Entity has been or will be organized and operated in compliance with the requirements for qualification and taxation as a REIT under the Code.

4.26 EEA Financial Institutions. No Loan Party is an EEA Financial Institution.

SECTION 5. CONDITIONS PRECEDENT

5.1 Conditions to Initial Extension of Credit. This Agreement shall become effective on and as of the first date on which all of the following conditions precedent (except to the extent set forth on Schedule 6.16) shall have been satisfied (or waived in accordance with Section 10.1):

(a) Credit Agreement; Guarantee and Collateral Agreement. The Administrative Agent shall have received (i) this Agreement, executed and delivered by the Administrative Agent, the Parent Borrower and each Person listed on Schedule 1.1A, (ii) the Guarantee and Collateral Agreement, executed and delivered by each Domestic Loan Party, (iii) an Acknowledgement and Consent in the form attached to the Guarantee and Collateral Agreement, executed and delivered by each Issuer (as defined therein), if any, that is not a Domestic Loan Party, (iv) Control Agreements with respect to each Distribution Account of a Domestic Loan Party, duly executed by each of the parties thereto and (v) the Management Subordination Agreement, duly executed and delivered by the Parent Borrower, the REIT Entity, the Manager and the Administrative Agent.

(b) Financial Statements. The Lenders shall have received:

(i) audited consolidated financial statements of each of the CLNS Contributed Portfolio, NorthStar I and NorthStar II and their respective Consolidated Subsidiaries for the two most recently completed fiscal years ended at least 90 days before the Closing Date;

(ii) unaudited financial statements of each of the CLNS Contributed Portfolio, NorthStar I and NorthStar II and their respective Consolidated Subsidiaries, in each case, (x) for the six-month period ending June 30, 2017 and (y) for each fiscal quarter ended subsequent to June 30, 2017 and at least 45 days before the Closing Date (if any); and

(iii) (x) a pro forma consolidated balance sheet and related pro forma consolidated statement of income of the REIT Entity and its Subsidiaries as of and for the nine-month period ending on September 30, 2017, prepared after giving effect to the Transactions as if the Transactions had occurred as of such date (in the case of such balance sheet) or at the beginning of such period (in the case of such statement of income), in each case, with consolidating information to show such financial statements for the Parent Borrower and its consolidated Subsidiaries (the "Pro Forma Financial Statements") and (y) such other "roll forward" pro forma financial information as the Administrative Agent may reasonably request with respect to subsequent fiscal periods.

(c) Approvals. All governmental and third party approvals necessary in connection with the continuing operations of the Group Members and the transactions contemplated hereby shall have been obtained and be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent or otherwise impose adverse conditions on the financing contemplated hereby.

(d) Lien Searches. The Administrative Agent shall have received the results of a recent Lien search with respect to each Loan Party, and such search shall reveal no Liens on any of the assets of the Loan Parties except for Liens permitted by Section 7.3 or discharged on or prior to the Closing Date pursuant to documentation satisfactory to the Administrative Agent.

(e) Fees. The Administrative Agent shall have received all fees required to be paid to the Arrangers and the Lenders, and all expenses for which invoices have been presented (including the reasonable and documented out-of-pocket fees and expenses of legal counsel), on or before the Closing

Date. Such amounts may be paid with proceeds of Revolving Loans made on the Closing Date and, if so, will be reflected in the funding instructions given by the Parent Borrower to the Administrative Agent on or before the Closing Date.

(f) Closing Certificate; Certified Certificate of Incorporation; Good Standing Certificates. The Administrative Agent shall have received (i) a certificate of each Loan Party, dated the Closing Date, substantially in the form of Exhibit C, with appropriate insertions and attachments, including the certificate of incorporation or certificate of formation, as applicable, of each Loan Party certified by the relevant authority of the jurisdiction of organization of such Loan Party, and (ii) a good standing certificate for each Loan Party from its jurisdiction of organization.

(g) Legal Opinions. The Administrative Agent shall have received a legal opinion in form and substance reasonably acceptable to the Administrative Agent of each of (i) Hogan Lovells LLP, counsel to the Parent Borrower and its Subsidiaries and (ii) Morris, Nichols, Arsht & Tunnell LLP, special Delaware counsel. Such legal opinions shall cover such other matters incident to the transactions contemplated by this Agreement as the Administrative Agent may reasonably require.

(h) Pledged Stock; Stock Powers. The Administrative Agent shall have received the certificates (if any) representing the shares of Capital Stock pledged pursuant to the Guarantee and Collateral Agreement, together with an undated stock power for each such certificate executed in blank by a duly authorized officer of the pledgor thereof.

(i) Filings, Registrations and Recordings. Each document (including any Uniform Commercial Code financing statement) required by the Security Documents or under law or reasonably requested by the Administrative Agent to be filed, registered or recorded in order to create in favor of the Administrative Agent, for the benefit of the Lenders, a perfected Lien on the Collateral described therein, prior and superior in right to any other Person (other than with respect to Liens expressly permitted by Section 7.3), shall be in proper form for filing, registration or recordation.

(j) Certificates.

(i) a certificate of a Responsible Officer of each Loan Party either (A) attaching copies of all consents, licenses and approvals required in connection with the execution, delivery and performance by such Loan Party and the validity against such Loan Party of the Loan Documents to which it is a party, and such consents, licenses and approvals shall be in full force and effect, or (B) stating that no such consents, licenses or approvals are so required.

(ii) a certificate signed by a Responsible Officer of the Parent Borrower certifying the information required pursuant to Section 4.15.

(iii) a certificate signed by a Responsible Officer of the Parent Borrower (x) certifying (A) that the conditions specified in this Section 5 have been satisfied (other than with respect to the satisfaction of the Administrative Agent or any Lender) and (B) that, since August 25, 2017, there has been no development or event that has had or could reasonably be expected to have a Material Adverse Effect on (1) the business, assets, financial condition or results of operations of (a) the Parent Borrower or (b) the Parent Borrower, its Subsidiaries and any of the entities in which they have invested directly or indirectly, taken as a whole or (2) the facts and information, taken as a whole, regarding any such entities as heretofore disclosed to the Administrative Agent and the Lenders and (y) certifying that the Parent Borrower has delivered true and correct copies of the operating agreements, partnership agreements or other applicable organizational documents of each Affiliated Investor (I) that directly or indirectly owns an

Investment Asset included in the calculation of the Maximum Permitted Outstanding Amount and (II) in which all or a portion of its Capital Stock are owned directly by a Domestic Loan Party.

(iv) a certificate signed by a Responsible Officer of the Parent Borrower setting forth (A) a reasonably detailed calculation of the Maximum Permitted Outstanding Amount as of the Closing Date and (B) a reasonably detailed pro forma calculation of the financial ratios and metrics set forth in Section 7.1, after giving effect to the Transactions (but, for the avoidance of doubt with respect to this clause (B), subject to compliance with Section 5.1(m) below, there shall be no requirement that such calculations evidence compliance with any ratio or metric as a condition to the Closing Date).

(k) Solvency. The Administrative Agent shall have received a certificate from the chief financial officer or treasurer of the Parent Borrower, in form and substance reasonably acceptable to the Administrative Agent certifying that the Parent Borrower and its Subsidiaries, on a consolidated basis after giving effect to this Agreement, the transactions contemplated hereby (including the borrowing of Revolving Loans, if any) and the Transactions are Solvent as of the Closing Date.

(l) KYC Information. The Lenders shall have received, to the extent requested by the Administrative Agent in writing at least ten (10) days prior to the Closing Date, all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act, in each case at least five (5) days prior to the Closing Date.

(m) Representations and Warranties; No Default. The conditions set forth in Section 5.2(a) and (b) shall have been satisfied.

(n) Insurance. The Administrative Agent shall have received evidence of insurance required to be maintained pursuant to the Loan Documents.

(o) Combination and Listing. The Combination, including the Listing, shall be consummated pursuant to the Combination Agreement, substantially concurrently with the Closing Date.

(p) Closing Date Material Adverse Effect. Since August 25, 2017, there shall not have been any Contributed Entity Material Adverse Effect, Nova I Material Adverse Effect or Nova II Material Adverse Effect (in each case, as defined in the Combination Agreement as in effect on November 20, 2017).

For the purpose of determining compliance with the conditions specified in this Section 5.1, each Lender that has signed this Agreement shall be deemed to have accepted, and to be satisfied with, each document or other matter required under this Section 5.1 unless the Administrative Agent shall have received written notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

5.2 Conditions to Each Extension of Credit. The agreement of each Lender to make any extension of credit requested to be made by it on any date (including its initial extension of credit) is subject to the satisfaction (or waiver in accordance with Section 10.1) of the following conditions precedent:

(a) Representations and Warranties. Each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct in all material respects (or, if such representations and warranties are qualified by materiality, in all respects) on and as of such date as if made on and as of such date (except that any representations and warranties which expressly relate to

an earlier date shall be true and correct in all material respects (or, if such representations and warranties are qualified by materiality, in all respects) as of such earlier date).

(b) No Default. No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the extensions of credit requested to be made on such date.

(c) No Bridge Loans. No Indebtedness incurred pursuant to Section 7.2(h) shall remain outstanding.

Each borrowing by and issuance of a Letter of Credit on behalf of a Borrower hereunder shall constitute a representation and warranty by such Borrower (and, if such Borrower is a Subsidiary Borrower, by the Parent Borrower) as of the date of such extension of credit that the conditions contained in this Section 5.2 have been satisfied.

SECTION 6. AFFIRMATIVE COVENANTS

Each Borrower hereby agrees that, until Payment in Full, such Borrower shall and shall cause each of its Subsidiaries to:

6.1 Financial Statements. Furnish to the Administrative Agent for distribution to each Lender:

(a) as soon as available, but in any event within 90 days after the end of each fiscal year of the Parent Borrower, a copy of the audited consolidated balance sheet of the Parent Borrower and its Consolidated Subsidiaries as at the end of such year and the related audited consolidated statements of income and of cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on without a “going concern” or like qualification or exception, or qualification arising out of the scope of the audit (except for any going concern exception or explanatory paragraph that is expressly solely with respect to, or expressly resulting solely from, the upcoming Revolving Termination Date occurring within one year from the time such report is delivered), by Ernst & Young LLP or other independent certified public accountants of nationally recognized standing;

(b) as soon as available, but in any event not later than 45 days after the end of each of the first three quarterly periods of each fiscal year of the Parent Borrower, the unaudited consolidated balance sheet of the Parent Borrower and its Consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures for the previous year, certified by a Responsible Officer of the Parent Borrower as presenting fairly in all material respects the financial condition and results of operations of the Parent Borrower and its Consolidated Subsidiaries (subject to normal year-end audit adjustments and the lack of footnotes);

(c) as soon as available, but in any event not later than April 15, 2018, a pro forma consolidated balance sheet and related pro forma consolidated statement of income of the Parent Borrower and its Consolidated Subsidiaries as of and for the twelve-month period ending on the last day of the four-fiscal quarter period ended on December 31, 2017, prepared after giving effect to the Transactions as if the Transactions had occurred as of such date (in the case of the balance sheet) or at the beginning of such period (in the case of the statement of income); and

(d) as soon as available, but in any event within 90 days after the calendar year ending December 31, 2017, (i) a copy of the audited consolidated balance sheet of Northstar I as at the end of such year and the related audited consolidated statements of income and of cash flows for such year,

setting forth in each case in comparative form the figures for the previous year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by Grant Thornton LLP or other independent certified public accountants of nationally recognized standing, (ii) a copy of the audited consolidated balance sheet of Northstar II as at the end of such year and the related audited consolidated statements of income and of cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by Grant Thornton LLP or other independent certified public accountants of nationally recognized standing and (iii) a copy of the audited "carve-out" consolidated balance sheet for the CLNS Contributed Portfolio as at the end of such year and the related audited "carve-out" consolidated statements of income and of cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by Ernst & Young LLP or other independent certified public accountants of nationally recognized standing.

All such financial statements shall be prepared in reasonable detail and in accordance with GAAP applied (except as approved by such accountants or officer, as the case may be, and disclosed in reasonable detail therein) consistently throughout the periods reflected therein and with prior periods.

Notwithstanding the foregoing, the Parent Borrower will be permitted to satisfy its obligations with respect to financial information relating to the Parent Borrower described in clauses (a) and (b) above by furnishing financial information relating to the REIT Entity; provided that (i) the same is accompanied by consolidating information that explains in reasonable detail the differences between the information relating to the REIT Entity and its Consolidated Subsidiaries, on the one hand, and the information relating to the Parent Borrower and its Consolidated Subsidiaries on a standalone basis, on the other hand, with respect to the consolidated balance sheet and income statement ("Consolidating Information") and (ii) the Consolidating Information shall be certified by a Responsible Officer of the Parent Borrower as presenting fairly in all material respects the financial condition and results of operations of the Parent Borrower and its Consolidated Subsidiaries on a standalone basis.

6.2 Certificates; Other Information. Furnish to the Administrative Agent for distribution to each Lender (or, in the case of clause (g), to the relevant Lender):

(a) as soon as available, but in any event not later than 90 days after the end of each fiscal year of the Parent Borrower, to the extent consistent with the policy of the independent certified public accountants reporting on the financial statements referred to in Section 6.1(a), a certificate of such independent certified public accountants stating that in making the examination necessary therefor no knowledge was obtained of any Event of Default pursuant to Section 7.1, except as specified in such certificate;

(b) as soon as available, but in any event not later than 90 days after the end of each fiscal year of the Parent Borrower and 45 days after the end of each of the first three quarterly periods of each fiscal year of the Parent Borrower, (i) a certificate of a Responsible Officer of the Parent Borrower stating that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate and (ii) (x) a Compliance Certificate containing calculations necessary for determining compliance by each Group Member with the provisions of Section 7.1 as of the last day of the fiscal quarter or fiscal year of the Parent Borrower, as the case may be and (y) to the extent not previously disclosed to the Administrative Agent, (1) a description of any change in the jurisdiction of organization of any Loan Party, (2) a list of any Capital Stock acquired by any Domestic Loan Party (or a structure chart depicting such Capital Stock) (which may be limited to Capital Stock relating to an Investment Asset included in the calculation of the Maximum Permitted Outstanding Amount), and (3) a

description of any Person that has become a Wholly-Owned Subsidiary of the Parent Borrower that is a Domestic Subsidiary (other than an Excluded Subsidiary or a Domestic Subsidiary constituting an Excluded Foreign Subsidiary) (or a structure chart depicting such Persons), in each case since the date of the most recent applicable report delivered pursuant to this clause (y) (or, in the case of the first such report so delivered, since the Closing Date);

(c) as soon as available, but in any event no later than 90 days after the end of each fiscal year of the Parent Borrower, a detailed consolidated budget for the following fiscal year (including a projected consolidated balance sheet of the Parent Borrower and its Subsidiaries as of the end of the following fiscal year, the related consolidated statements of projected cash flow and projected income and a description of the underlying assumptions applicable thereto) (collectively, the "Projections"), which Projections shall in each case be accompanied by a certificate of a Responsible Officer of the Parent Borrower stating that such Projections are prepared in good faith based upon assumptions believed to be reasonable at the time furnished (it being recognized that such Projections are not to be viewed as facts and that actual results during the period or periods covered by any such Projections may differ from the projected results, and such differences may be material);

(d) as soon as available, but in any event no later than 90 days after the end of each fiscal year of the Parent Borrower and 45 days after the end of each of the first three quarterly periods of each fiscal year of the Parent Borrower, a certificate of a Responsible Officer of the Parent Borrower setting forth a reasonably detailed calculation of the Maximum Permitted Outstanding Amount on the last date of the relevant period covered by the financial statements for such fiscal period; provided that in the event that the sum of the Total Revolving Extensions of Credit *plus* the Total CMBX Termination Liability outstanding at any time exceeds 90% of the Maximum Permitted Outstanding Amount at such time, the Parent Borrower shall provide such certificates to the Administrative Agent on demand;

(e) promptly after the same are sent, copies of all financial statements and reports that the Parent Borrower sends to the holders of any class of its debt securities or public equity securities and, promptly after the same are filed, copies of all financial statements and reports that the Parent Borrower may make to, or file with, the SEC;

(f) promptly following receipt thereof, copies of (i) any documents described in Section 101(k) or 101(l) of ERISA that any Group Member or any ERISA Affiliate may request with respect to any Multiemployer Plan or any plan funding notice described in Section 101(f) of ERISA with respect to any Pension Plan or any Multiemployer Plan provided to or received by any Group Member or any ERISA Affiliate; provided, that if the relevant Group Members or ERISA Affiliates have not received or requested, as applicable, such documents or notices from the administrator or sponsor of the applicable Multiemployer Plans, then, upon reasonable request of the Administrative Agent, such Group Member or the ERISA Affiliate shall promptly make a request for such documents or notices from such administrator or sponsor and the Parent Borrower shall provide copies of such documents and notices to the Administrative Agent promptly after receipt thereof;

(g) promptly, such additional financial and other information (including, for the avoidance of doubt, asset-level data and information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act and the Beneficial Ownership Regulation) as the Administrative Agent or any Lender may from time to time reasonably request; provided that in no event shall the Parent Borrower or any Subsidiary be required to disclose information (x) to the extent that such disclosure to the Administrative Agent or such Lender violates any bona fide contractual confidentiality obligations by which it is bound, so long as (i) such obligations were not entered into in contemplation of this Agreement or any other Loan Document, and (ii) such obligations

are owed by it to a third party, or (y) if such information is subject to attorney-client privilege and as to which the Parent Borrower or the applicable Subsidiary has been advised by counsel that the provision of such information to the Administrative Agent or such Lender would give rise to a waiver of such attorney-client privilege; and

(h) any change in the information provided in the Beneficial Ownership Certification delivered to a Lender that would result in a change to the list of beneficial owners identified in such certification.

Information required to be delivered pursuant to Section 6.1 and clause (e) of this Section 6.2 shall be deemed to have been delivered if such information, or one or more annual or quarterly reports containing such information, shall be available on the website of the Parent Borrower or the REIT Entity or the SEC at http://www.sec.gov.

6.3 Payment of Obligations. Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material obligations in respect of Tax liabilities and other governmental charges, except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of the relevant Group Member.

6.4 Maintenance of Existence; Compliance. (a) (i) Preserve, renew and keep in full force and effect its organizational existence (in the case of each Borrower, in a United States jurisdiction) and (ii) take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business, except, in each case, as otherwise permitted by Section 7.4, and except, in the case of this clause (ii), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (b) comply with all Contractual Obligations and Requirements of Law except to the extent that failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect. The Parent Borrower will maintain in effect and enforce policies and procedures designed to ensure compliance by the Parent Borrower, its Affiliates and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

6.5 Maintenance of Property; Insurance. (a) Except as could not, in the aggregate, reasonably be expected to have a Material Adverse Effect, keep all property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted and (b) maintain with financially sound and reputable insurance companies insurance on all its property in at least such amounts and against at least such risks (but including in any event public liability, product liability and business interruption) as are usually insured against in the same general area by companies engaged in the same or a similar business.

6.6 Inspection of Property; Books and Records; Discussions. (a) Keep proper books of records and account (in which full, true and correct entries shall be made of all material financial transactions and matters involving the assets and business of the Parent Borrower and its Subsidiaries) in a manner that permits the preparation of financial statements in conformity with GAAP and all Requirements of Law and (b) permit representatives of the Administrative Agent or any Lender to visit and inspect any of its properties and examine and make abstracts from any of its books and records at any reasonable time during normal business hours and as often as may reasonably be desired, upon reasonable advance notice to the Parent Borrower and to discuss the business, operations, properties and financial and other condition of the Group Members with officers and employees of the Group Members and with their independent certified public accountants; provided, however, that so long as no Event of Default exists, the Administrative Agent on behalf of the Lenders shall be permitted to make only one (1) such visit per fiscal year at the expense of the Parent Borrower.

6.7 Notices. Promptly upon a Responsible Officer of the Parent Borrower becoming aware of the occurrence of any of the following events, give notice to the Administrative Agent for distribution to the Lenders:

(a) of the occurrence of any Default or Event of Default;

(b) of any (i) default or event of default under any Contractual Obligation of any Group Member or (ii) litigation, investigation or proceeding that may exist at any time between any Group Member and any Governmental Authority, that in either case, if not cured or if adversely determined, as the case may be, could reasonably be expected to have a Material Adverse Effect;

(c) of any litigation or proceeding affecting any Group Member (i) which could reasonably be expected to have a Material Adverse Effect and is not covered by insurance, (ii) in which injunctive or similar relief is sought or (iii) which relates to any Loan Document;

(d) of the occurrence of any ERISA Event or Foreign Plan Event that, alone or together with any other ERISA Events and/or Foreign Plan Events that have occurred, could reasonably be expected to have a Material Adverse Effect;

(e) if at any time the sum of the Total Revolving Extensions of Credit *plus* the Total CMBX Termination Liability outstanding exceeds 90% of the Maximum Permitted Outstanding Amount;

(f) of any Trigger Event;

(g) of any development or event that has had or could reasonably be expected to have a Material Adverse Effect; and

(h) of any Subsidiary Guarantor being a Specified Subsidiary.

Each notice pursuant to this Section 6.7 shall be accompanied by a statement of a Responsible Officer of the Parent Borrower setting forth details of the occurrence referred to therein and stating what action the relevant Group Member proposes to take with respect thereto.

6.8 Environmental Laws. (a) Comply with, and ensure compliance by all tenants and subtenants, if any, with, all applicable Environmental Laws, and obtain and comply with and maintain, and ensure that all tenants and subtenants obtain and comply with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws to continue activities as currently conducted; and

(b) Generate, use, treat, store, release, transport, dispose of, and otherwise manage all Materials of Environmental Concern in a manner that does not result in liability to any Group Member and does not impair the use of any property owned, leased or operated by any Group Member, and take reasonable efforts to prevent any other Person from generating, using, treating, storing, releasing, transporting, disposing of, or otherwise managing Materials of Environmental Concern in a manner that could result in a liability to, or impair the use of any real property owned, leased or operated by, any Group Member;

it being understood that this Section 6.8 shall be deemed not breached by a noncompliance with any of the foregoing (a) or (b); provided that such non-compliance, in the aggregate with any other such non-compliance, could not reasonably be expected to have a Material Adverse Effect.

6.9 Maintenance of REIT Status; New York Stock Exchange Listing. The REIT Entity shall timely elect to be treated as a REIT under the Code commencing with its first taxable year ended December 31, 2018. Prior to making a REIT election, the REIT Entity shall operate its business in a manner to permit it to qualify for status as a REIT under the Code commencing with its first taxable year ended December 31, 2018. For each taxable year from and after the date that the REIT Entity's election to be treated as a REIT under the Code is effective, the REIT Entity shall be organized and operated in compliance with the requirements for qualification and taxation as a REIT under the Code. The REIT Entity will also at all times be listed on the New York Stock Exchange.

6.10 Additional Collateral, etc. (a) *After-Acquired Property of a Domestic Loan Party.* With respect to any property acquired after the Closing Date by any Domestic Loan Party that is property of the type which would otherwise constitute Collateral subject to the Lien created by any of the Security Documents but is not yet so subject (including, without limitation, (x) all Capital Stock held by any Domestic Loan Party in any newly formed or acquired Subsidiary of the Parent Borrower and (y) all Capital Stock held by any Domestic Loan Party in any Affiliated Investor) (collectively, the "After-Acquired Property"), promptly but in any event within 60 days after the end of the fiscal year during which such property was acquired (or by such later date as the Administrative Agent may agree in its sole discretion) (i) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement or such other documents as the Administrative Agent may reasonably request to grant to the Administrative Agent, for the benefit of the Lenders, a security interest in such property and (ii) take all actions necessary or reasonably requested to grant to the Administrative Agent, for the benefit of the Lenders, a perfected first priority security interest in such property, including (A) the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be requested by the Administrative Agent and (B) the delivery of the certificates (if any) representing any such Capital Stock acquired (together with undated stock powers or other appropriate instruments of transfer executed and delivered in blank by a duly authorized officer of the holder(s) of such Capital Stock); provided that to the extent that the documents described in clause (i) of this clause (a) have not been executed and delivered or the actions described in clause (ii) of this clause (a) have not been taken, in each case, with respect to any After-Acquired Property with an aggregate value in excess of 10.0% of the Total Asset Value at any time, the Parent Borrower shall cause the requirements set forth in clauses (i) and (ii) of this clause (a) to be met within 60 days after the end of the fiscal quarter during which such limit was exceeded to the extent necessary to eliminate such excess.

(b) [Intentionally omitted.]

(c) *Additional Guarantors.* With respect to any new Wholly-Owned Subsidiary of the Parent Borrower that is a Domestic Subsidiary (other than an Excluded Subsidiary or a Domestic Subsidiary constituting an Excluded Foreign Subsidiary) created or acquired (including pursuant to a Division) after the Closing Date by any Group Member (which, for the purposes of this Section 6.10(c), shall include any existing Domestic Subsidiary that ceases to be an Excluded Subsidiary or Excluded Foreign Subsidiary) (collectively, the "New Subsidiaries"), promptly (but in any event within 60 days after the end of the fiscal year during which such New Subsidiary was created or acquired (or by such later date as the Administrative Agent may agree in its sole discretion)),

(i) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement as the Administrative Agent may reasonably request to grant to the Administrative Agent, for the benefit of the Lenders, a perfected first priority security interest in the Capital Stock of such New Subsidiary that is owned by any Domestic Loan Party;

(ii) deliver to the Administrative Agent the certificates (if any) representing such Capital Stock, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of the relevant Domestic Loan Party;

(iii) cause such New Subsidiary (A) to become a party to the Guarantee and Collateral Agreement, (B) to take such actions necessary or reasonably requested to grant to the Administrative Agent for the benefit of the Lenders a perfected first priority security interest in the Collateral described in the Guarantee and Collateral Agreement with respect to such New Subsidiary, including the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be reasonably requested by the Administrative Agent and (C) to deliver to the Administrative Agent a certificate of such New Subsidiary, substantially in the form of Exhibit C, with appropriate insertions and attachments; and

(iv) if requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent;

provided that, to the extent that such New Subsidiaries (other than any Subsidiary that constitutes a New Subsidiary solely as a result of ceasing to be an Excluded Subsidiary or Excluded Foreign Subsidiary during the period since the end of the most recently ended fiscal year) that have not yet executed and delivered the documents and taken the actions described in clauses (i) through (iv) of this Section 6.10(c) have assets with an aggregate value in excess of 10.0% of the Total Asset Value at any time, the Parent Borrower shall cause such New Subsidiaries to comply with clauses (i) through (iv) of this Section 6.10(c) within 60 days after the end of the fiscal quarter during which such limit was exceeded to the extent necessary to eliminate such excess. Notwithstanding the foregoing, with respect of any New Subsidiary that becomes a party to the Guarantee and Collateral Agreement pursuant to this Section 6.10(c), but does not directly or indirectly own Investment Assets that in any way contribute to the Maximum Permitted Outstanding Amount, clause (iv) above shall not apply unless otherwise reasonably requested by the Administrative Agent. For the avoidance of doubt, the provisions of this Section 6.10(c) shall not limit the rights of the Parent Borrower to effect a joinder of a Domestic Subsidiary at an earlier time than that required by this Section 6.10(c).

(d) *Equity Pledge of Excluded Foreign Subsidiaries.* With respect to any new Excluded Foreign Subsidiary created or acquired after the Closing Date directly by any Domestic Loan Party, promptly but in any event within 60 days after the end of the fiscal year during which such New Excluded Foreign Subsidiary was created or acquired (or by such later date as the Administrative Agent may agree in its sole discretion) (i) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement as the Administrative Agent may reasonably request to grant to the Administrative Agent, for the benefit of the Lenders, a perfected first priority security interest in the Capital Stock of such new Subsidiary that is owned by any Domestic Loan Party (provided that in no event shall more than 66⅔% of the total outstanding voting Capital Stock, as determined for U.S. federal income tax purposes, of any such new Subsidiary be required to be so pledged), and (ii) deliver to the Administrative Agent the certificates (if any) representing such Capital Stock, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of the relevant Domestic Loan Party, and take such other action as may be necessary or reasonably requested by the Administrative Agent to perfect the Administrative Agent's security interest therein and (iii) if reasonably requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent. Notwithstanding the foregoing or any other provision of the

Loan Documents, the Domestic Loan Parties shall not be required to undertake such perfection actions in any jurisdictions outside the United States.

(e) *Certain Collateral Limitations.* Notwithstanding anything set forth herein or any of the other Loan Documents, but without limiting the requirements set forth in clause (F)(2) of the definition of Qualifying Criteria, the Loan Parties shall not be required to (x) take actions under the laws of any jurisdictions other than a jurisdiction of the United States in order to create or perfect security interests in any Collateral or (y) obtain third party acknowledgements, agreements or consents in support of the creation, perfection or enforcement of security interests in such Collateral. In addition, the requirements of this Section 6.10 shall not apply to (i) any assets or Subsidiaries created or acquired after the Closing Date, as applicable, as to which the Administrative Agent has reasonably determined, and has advised the Parent Borrower, that such requirements need not be satisfied because, *inter alia*, the collateral value thereof is insufficient to justify the difficulty, time and/or expense of obtaining a perfected security interest therein or (ii) require the pledge of any Qualified Non-Pledged Asset or other Investment Asset that would otherwise constitute Excluded Collateral (as defined in the Guarantee and Collateral Agreement).

(f) *Additional Subsidiary Borrower.*

(i) Notwithstanding anything to the contrary set forth in this Agreement, each Domestic Borrower and any other applicable Domestic Loan Party shall, on the date such Subsidiary becomes a Domestic Borrower under this Agreement, (A) execute and deliver to the Administrative Agent such amendments to such Security Documents (or such additional Security Documents) as the Administrative Agent deems necessary or advisable to grant to the Administrative Agent, for the benefit of the Secured Parties, a perfected first priority security interest in the Capital Stock of such Domestic Borrower, (B) deliver to the Administrative Agent the certificates representing such Capital Stock, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of the Parent Company or such other Domestic Loan Party, as the case may be, and take such other action as may be necessary or, in the opinion of the Administrative Agent, desirable to perfect the Administrative Agent's security interest therein, (C) execute and deliver to the Administrative Agent such amendments to such Security Documents (or such additional Security Documents and guarantee documents) as the Administrative Agent may reasonably request for such Domestic Borrower to become a party to each applicable Security Document and guarantee document in its capacity as a Subsidiary Borrower, (D) execute and deliver such other documents as the Administrative Agent may reasonably request to grant to the Administrative Agent, for the benefit of the Lenders, a security interest in such property of such Domestic Borrower that is of the type included in the Collateral and (E) take all actions necessary or advisable to grant to the Administrative Agent, for the benefit of the Secured Parties, a perfected security interest in such property having the highest priority then available, including the filing of Uniform Commercial Code financing statements (or equivalent documents under local law) in such jurisdictions as may be required by the Security Documents or by law.

(ii) Notwithstanding anything to the contrary set forth in this Agreement, each Foreign Borrower that is a Subsidiary of a Domestic Loan Party and any applicable Domestic Loan Party shall, on the date such Subsidiary becomes a Foreign Borrower under this Agreement, (A) execute and deliver to the Administrative Agent such amendments to such Security Documents (or such additional Security Documents) as the Administrative Agent deems necessary or advisable to grant to the Administrative Agent, for the benefit of the Secured Parties, a perfected first priority security interest in the Capital Stock of such Foreign Borrower (provided that in no event shall more than 66⅔% of the total outstanding voting Capital Stock, as

determined for U.S. federal income tax purposes, of any such Foreign Borrower that is an Excluded Foreign Subsidiary be required to be so pledged), (B) deliver to the Administrative Agent the certificates representing such Capital Stock, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of the Parent Company or such other Domestic Loan Party, as the case may be, and take such other action as may be necessary or, in the opinion of the Administrative Agent, desirable to perfect the Administrative Agent's security interest therein and (C) take all actions necessary or advisable to grant to the Administrative Agent, for the benefit of the Secured Parties, a perfected security interest in such property having the highest priority then available, including the filing of Uniform Commercial Code financing statements (or equivalent documents under local law) in such jurisdictions as may be required by the Security Documents or by law.

6.11 Use of Proceeds. The proceeds of the Loans shall be used to finance (x) in part the Transaction Costs (except any Transaction Costs paid to an Affiliate of a Lender that is not a Subsidiary of a Lender, which shall not be paid with proceeds of Revolving Loans) and (y) the investment activities, working capital needs and general corporate purposes of the Parent Borrower and its Subsidiaries.

6.12 Information Regarding Collateral. The Parent Borrower shall provide prompt (but in any event within ten (10) days of any such change) written notice to the Administrative Agent of any change (i) in any Loan Party's legal name, (ii) in the location of any Loan Party's chief executive office, (iii) in any Loan Party's identity or type of organization, (iv) in any Loan Party's Federal Taxpayer Identification Number (or equivalent thereof), or (v) in any Loan Party's jurisdiction of organization (in each case, including by merging with or into any other entity, reorganizing, dissolving, liquidating, reorganizing or organizing in any other jurisdiction), in each case, clearly describing such change and providing such other information in connection therewith as the Administrative Agent may reasonably request. Prior to effecting any such change, the Parent Borrower shall have taken (or will take on a timely basis) all action required to maintain the perfection and priority of the security interest of the Administrative Agent in the Collateral, if applicable. The Parent Borrower agrees to promptly provide the Administrative Agent with certified organization documents reflecting any of the changes described in the preceding sentence, to the extent applicable.

6.13 Organization Documents of Affiliated Investors. The Parent Borrower shall provide the Administrative Agent with a copy of the organization documents of each Affiliated Investor promptly upon request by the Administrative Agent.

6.14 Distribution Accounts. (a) The Parent Borrower shall irrevocably instruct each Affiliated Investor that directly or indirectly owns an Investment Asset, to make any and all Distributions from such Affiliated Investor that are payable to any Domestic Loan Party into one or more deposit accounts or securities accounts, as applicable, that is subject to a Control Agreement (within the time period set forth in Schedule 6.16 with respect to the Control Agreements required pursuant to Schedule 6.16) and maintained by such Domestic Loan Party at JPMorgan Chase Bank, N.A., Wells Fargo Bank, N.A. or Bank of America, N.A., or any Affiliates thereof, or any other depositary bank or securities intermediary, as applicable, reasonably acceptable to the Administrative Agent (each such deposit account and securities account, a "Distribution Account"). If, despite such instructions, any Distribution is received by a Domestic Loan Party in contravention of the prior sentences, such Domestic Loan Party shall receive such Distribution in trust for the benefit of the Administrative Agent, and the Parent Borrower shall cause such Domestic Loan Party to segregate such Distribution from all other funds of such Domestic Loan Party and shall within two (2) Business Days following receipt thereof cause such Distribution to be deposited into a Distribution Account.

(b) Each Domestic Borrower and each Subsidiary Guarantor that directly or indirectly owns and holds any Investment Asset shall promptly (and in any event within two (2) Business Days) deposit any and all payments and other amounts received by such Domestic Borrower or such Subsidiary Guarantor relating to such Investment Asset or received by any Affiliated Investor that, directly or indirectly, owns such Investment Asset (including, without limitation, all payments of principal, interest, fees, indemnities or premiums in respect of such Investment Asset, and all proceeds from the sale or other disposition of, or from any exercise of any rights or remedies with respect to, such Investment Asset) into a Distribution Account.

(c) Notwithstanding the foregoing, the Parent Borrower and each other Domestic Loan Party shall have the right (i) to access and make withdrawals from its Distribution Account at any time unless an Event of Default shall have occurred and be continuing and the Administrative Agent shall have blocked access to such Distribution Account and (ii) in the case that an Event of Default shall have occurred and be continuing and the Administrative Agent shall have blocked access to such Distribution Account, to access and make withdrawals from its Distribution Account as necessary to make the distributions contemplated by Section 7.6(e) so long as no Event of Default has occurred pursuant to Section 8(a) or 8(f).

6.15 Valuation. The Parent Borrower shall determine the Adjusted Net Book Value of each Investment Asset included in the Maximum Permitted Outstanding Amount on a quarterly basis, consistent with the Parent Borrower's valuation policy as of the Closing Date.

6.16 Post-Closing Obligations.

(a) As promptly as practicable, and in any event within the applicable time period set forth in Schedule 6.16 (or by such later date as the Administrative Agent may agree in its sole discretion), the Parent Borrower and each other Loan Party will deliver or cause to be delivered to the Administrative Agent all documents and take all actions set forth on Schedule 6.16. For the avoidance of doubt, to the extent any Loan Document requires delivery of any such document or completion of any such action prior to the date specified with respect thereto on Schedule 6.16, such delivery may be made or such action may be taken at any time prior to the time specified on Schedule 6.16. To the extent any representation and warranty would not be true or any provision of any covenant would otherwise be breached solely due to a failure to comply with any such requirement prior to the date specified on Schedule 6.16, the respective representation and warranty shall be required to be true and correct (or the respective covenant complied with) with respect to such action only at the time such action is taken (or was required to be taken) in accordance with this Section 6.16.

(b) On or prior to the date that is 45 days after the Third Amendment Effective Date (or by such later date as the Administrative Agent may agree in its sole discretion, which in any event shall be no later than 75 days after the Third Amendment Effective Date), the Parent Borrower shall have obtained amendments to its and its Subsidiaries' other credit facilities and repurchase facilities described on Schedule 6.16(b) hereto having substantially the same effect as the amendment to Section 7.1(d) pursuant to the Third Amendment.

SECTION 7. NEGATIVE COVENANTS

Each Borrower hereby agrees that, until Payment in Full, such Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

7.1 Financial Condition Covenants.

(a) Consolidated Leverage Ratio. At any time on or after March 31, 2018, permit the Consolidated Leverage Ratio of the Parent Borrower to exceed 0.70 to 1.00.

(b) Minimum Interest Coverage Ratio. Beginning with the fiscal quarter ending March 31, 2018, permit the Interest Coverage Ratio of the Parent Borrower for any fiscal quarter to be less than 3.00 to 1.00.

(c) Consolidated Fixed Charge Coverage Ratio. At any time on or after March 31, 2018 permit the Consolidated Fixed Charge Coverage Ratio for any period of four consecutive fiscal quarters of the Parent Borrower to be less than 1.50 to 1.00.

(d) Consolidated Tangible Net Worth. ~~At any time on or after March 31, 2018, p~~Permit Consolidated Tangible Net Worth to be less than the sum of (i) $~~2,105,000,000~~1,500,000,000 and (ii) ~~50~~75% of the Net Cash Proceeds received by the Parent Borrower after the Third Amendment Effective Date (x) from any offering by the Parent Borrower of its common equity and (y) from any offering by the REIT Entity of its common equity to the extent such Net Cash Proceeds are contributed to the Parent Borrower, excluding any such Net Cash Proceeds that are contributed to the Parent Borrower within 90 days of receipt of such Net Cash Proceeds and applied to purchase, redeem or otherwise acquire Capital Stock issued by the Parent Borrower (or any direct or indirect parent thereof)).

(e) Maximum Permitted Outstanding Amount. Permit the sum of the Total Revolving Extensions of Credit *plus* the Total CMBX Termination Liability at any time to exceed the Maximum Permitted Outstanding Amount at such time.

For the avoidance of doubt, on and after the Closing Date, calculations made pursuant to this Section 7.1 shall be calculated on a pro forma basis after giving effect to the Transactions; provided, that calculations to be made over an applicable test period shall be calculated as if the Transactions had occurred on the first day of the applicable test period; provided, further, that calculations to be made as of a given date shall be calculated as if the Transactions had occurred as of such date.

7.2 Indebtedness. Create, issue, incur, assume, become liable in respect of or suffer to exist any Indebtedness, except:

(a) Indebtedness of any Loan Party pursuant to any Loan Document;

(b) Indebtedness of (i) the Parent Borrower to any Subsidiary, (ii) any Subsidiary Guarantor to the Parent Borrower or any other Subsidiary and (iii) to the extent constituting an Investment permitted by Section 7.7, any Subsidiary to the Parent Borrower or any other Subsidiary;

(c) Guarantee Obligations by the Parent Borrower or any of its Subsidiaries of obligations of any Subsidiary to the extent constituting an Investment permitted by Section 7.7 (other than pursuant to Section 7.7(c)); provided however, that in the case of a Guarantee Obligation by an Unconsolidated Subsidiary of obligations of any person that is not an Unconsolidated Subsidiary, such Guarantee Obligation shall be included in the calculation of Consolidated Total Debt hereunder; provided further that, to the extent the primary obligations (as defined in the definition of Guarantee Obligations) in respect of such Guarantee Obligations are subordinated to the Obligations or the Guarantor Obligations (as defined in the Guarantee and Collateral Agreement), as applicable, any such Guarantee Obligations shall be subordinated to the Obligations or the Guarantor Obligations (as defined in the Guarantee and Collateral Agreement), as applicable, on terms no less favorable to the Administrative Agent and the Lenders than the subordination terms applicable to the primary obligations;

(d) Indebtedness outstanding on the date hereof and, to the extent the aggregate principal amount of all such Indebtedness exceeds $2,000,000, listed on Schedule 7.2(d) and any refinancings, refundings, renewals or extensions thereof (without shortening the maturity thereof, or increasing the principal amount thereof, except by an amount up to the unpaid accrued interest and premium thereon plus other amounts owing or paid related to such existing Indebtedness, and fees and expenses incurred, in connection with such refinancing, refunding, renewal or extension); provided that, to the extent such Indebtedness listed on Schedule 7.2(d) is subordinated to the Obligations or the Guarantor Obligations (as defined in the Guarantee and Collateral Agreement), as applicable, any such refinancings, refundings, renewals or extensions shall be subordinated to the Obligations or the Guarantor Obligations (as defined in the Guarantee and Collateral Agreement), as applicable, on terms no less favorable to the Administrative Agent and the Lenders;

(e) Indebtedness (including, without limitation, Capital Lease Obligations and Indebtedness incurred to finance the acquisition, construction or development of any fixed or capital assets (except to the extent incurred with respect to any Investment Asset)) secured by Liens permitted by Section 7.3(g) in an aggregate principal amount at any one time outstanding not to exceed $40,000,000;

(f) Non-Recourse Indebtedness of Subsidiaries that are not Loan Parties and any Non-Recourse Pledge; provided that after giving pro forma effect to the incurrence of such Non-Recourse Indebtedness or Non-Recourse Pledge, as applicable, the Parent Borrower shall be in compliance with Section 7.1;

(g) unsecured Indebtedness of the Parent Borrower or any other Loan Party; provided that (i) such unsecured Indebtedness shall mature no earlier than the date that is 91 days following the Latest Termination Date (and shall not require any payment of principal prior to such date other than any provision requiring a mandatory prepayment or an offer to purchase such Indebtedness as a result of a change of control, asset sale, casualty event or de-listing of common stock) and (ii) after giving pro forma effect to the incurrence of such unsecured Indebtedness, the Parent Borrower shall be in compliance with Section 7.1(a);

(h) unsecured Indebtedness of the Parent Borrower or any other Loan Party not otherwise permitted hereunder; provided that (i) at the time such Indebtedness is incurred and during the period such Indebtedness continues to remain outstanding, there are no Revolving Extensions of Credit outstanding (provided that, if there are Revolving Extensions of Credit outstanding immediately prior to the time such Indebtedness is incurred, such Loans shall be paid in full and any outstanding Letters of Credit shall have been cash collateralized in accordance with the procedures set forth in Section 8.1, in each case prior to or simultaneously with the incurrence of such Indebtedness), (ii) no Default shall have occurred or be continuing or would result therefrom and (iii) such Indebtedness shall not have a maturity date that is later than two (2) years after the initial incurrence thereof;

(i) Specified GAAP Reportable B Loan Transactions; provided that after giving pro forma effect to the incurrence of such Specified GAAP Reportable B Loan Transactions, no Default shall have occurred or be continuing or would result therefrom;

(j) Permitted Warehouse Indebtedness; provided that after giving pro forma effect to the incurrence of such Permitted Warehouse Indebtedness, no Default shall have occurred or be continuing or would result therefrom;

(k) Indebtedness in respect of netting services, automatic clearinghouse arrangements, overdraft protections, employee credit card programs and other cash management and similar arrangements in the ordinary course of business and any guarantees thereof or the honoring by a bank or

other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; provided that any such Indebtedness is extinguished within 30 days;

(l) Indebtedness incurred by the Parent Borrower or any Subsidiary (including obligations in respect of letters of credit, bank guarantees, warehouse receipts or similar instruments issued or created in the ordinary course of business) owed to any Person providing workers compensation, health, disability or other employee benefits or property, casualty or liability insurance;

(m) obligations in respect of performance, bid, appeal and surety bonds and performance and completion guarantees (not for borrowed money) and similar obligations provided by the Parent Borrower or any Subsidiary in each case in the ordinary course of business or consistent with past practice; and

(n) additional Indebtedness of the Parent Borrower or any of its Subsidiaries in an aggregate principal amount (for the Parent Borrower and all Subsidiaries) at any one time outstanding not to exceed $40,000,000.

7.3 Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, whether now owned or hereafter acquired, except:

(a) Liens for Taxes not yet due or the amount or validity of which are being contested in good faith by appropriate proceedings, provided that adequate reserves with respect thereto are maintained in conformity with GAAP;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business that are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate proceedings;

(c) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation;

(d) deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations (other than any such obligation imposed pursuant to Section 430(k) of the Code or Sections 303(k) or 4068 of ERISA), surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(e) (i) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business that, in the aggregate, do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the Parent Borrower or any of its Subsidiaries and (ii) other Liens encumbering any Commercial Real Estate Ownership Investment that do not secure Indebtedness for borrowed money or Indebtedness constituting seller financing;

(f) Liens in existence on the date hereof listed on Schedule 7.3(f), securing Indebtedness permitted by Section 7.2(d), provided that no such Lien is spread to cover any additional property after the Closing Date;

(g) Liens securing Indebtedness of the Parent Borrower or any Subsidiary incurred pursuant to Section 7.2(e) to finance the acquisition, construction or development of fixed or capital assets, provided that (i) such Liens shall be created within 270 days of the acquisition of such fixed or

capital assets, (ii) such Liens do not at any time encumber any property other than the property financed by such Indebtedness and (iii) the amount of Indebtedness secured thereby is not increased;

(h) Liens created pursuant to the Security Documents;

(i) any interest or title of a lessor under any lease entered into by the Parent Borrower or any Subsidiary in the ordinary course of its business and covering only the assets so leased;

(j) Liens securing Non-Recourse Indebtedness permitted under Section 7.2(f); provided that (i) such Liens do not at any time encumber any Collateral and (ii) such Liens do not encumber any assets other than assets of any non-Loan Party that incurred such Non-Recourse Indebtedness (which, for clarity, may include assets of any non-Loan Party guarantor of such Non-Recourse Indebtedness) or any Loan Party that is limited to a Non-Recourse Pledge; provided that such Liens may be extended to other assets solely in connection with (x) an increase in the amount of such financing (such as in the form of incremental extensions of credit or the consummation of a refinancing) in an amount that is reasonably proportional to the value of the additional collateral or (y) a substitution of collateral supporting such Non-Recourse Indebtedness with replacement collateral of reasonably equivalent value, in each case as determined by the Parent Borrower in its commercially reasonable discretion giving due regard to general market conditions at the time of such increase or refinancing;

(k) Liens on cash collateral securing Swap Obligations, solely to the extent hedging assets included in the calculation of the Maximum Permitted Outstanding Amount (without giving effect to any concentration limits set forth in the definition thereof);

(l) Liens deemed to exist pursuant to Specified GAAP Reportable B Loan Transactions permitted pursuant to Section 7.2(i) solely to the extent encumbering the assets consisting of “A-Notes” related thereto;

(m) Liens securing Permitted Warehouse Indebtedness of the Parent Borrower or any Subsidiary incurred pursuant to Section 7.2(j), solely to the extent encumbering (i) the Commercial Real Estate Debt Investments financed thereby or (ii) Capital Stock of the Permitted Warehouse Borrower pursuant to a Permitted Warehouse Equity Pledge;

(n) Liens securing judgments for the payment of money not constituting an Event of Default under Section 8(h);

(o) any Lien existing on any property or asset prior to the acquisition thereof by the Parent Borrower or any Subsidiary following the Closing Date, provided that (i) such Lien is not created in contemplation of or in connection with such acquisition, and (ii) such Lien does not apply to any other property or assets of the Parent Borrower or any Subsidiary;

(p) Liens (i) of a collection bank arising under Section 4-210 of the Uniform Commercial Code on the items in the course of collection and (ii) in favor of a banking or other financial institution arising as a matter of law encumbering deposits or other funds maintained with a financial institution (including the right of set off) and which are within the general parameters customary in the banking industry; provided that such liens, rights or remedies are not security for or otherwise related to Indebtedness;

(q) Liens arising from precautionary Uniform Commercial Code financing statement or similar filings;

(r) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(s) Liens solely on any cash earnest money deposits made by the Parent Borrower or any Subsidiary in connection with any acquisition permitted hereunder;

(t) Liens not otherwise permitted by this Section so long as the aggregate outstanding principal amount of the obligations secured thereby (as to the Parent Borrower and all Subsidiaries) does not exceed in the aggregate at any one time outstanding $30,000,000;

(u) to the extent constituting a Lien, obligations restricting the sale or other transfer of assets pursuant to commercially reasonable "tax protection" (or similar) agreements entered into with limited partners or members of the Parent Borrower or of any other Subsidiary of the REIT Entity in a so-called "DownREIT Transaction"; and

(v) Liens on margin deposits for Swap Obligations constituting CMBX Contracts.

provided that, notwithstanding the foregoing, in no event shall any Liens (other than Liens permitted pursuant to clauses (a), (h), (n) and (u) above) encumber any of the Collateral.

7.4 Fundamental Changes. Enter into any merger, consolidation or amalgamation, consummate a Division as the Dividing Person or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or Dispose of all or substantially all of its property or business, except that:

(a) any Subsidiary of the Parent Borrower (other than a Borrower) may be merged or consolidated with or into the Parent Borrower (provided that the Parent Borrower shall be the continuing or surviving corporation) or with or into any Subsidiary Guarantor (provided that in the case of any Loan Party merging with a Subsidiary that is not a Loan Party, the surviving entity shall be or become, substantially simultaneously therewith, a Loan Party);

(b) any non-Loan Party Subsidiary may be merged or consolidated with or into any other non-Loan Party Subsidiary;

(c) (i) any Subsidiary of the Parent Borrower (other than a Borrower) may Dispose of all or substantially all of its assets to the Parent Borrower or any Domestic Loan Party (upon voluntary liquidation or otherwise), (ii) any non-Loan Party Subsidiary may Dispose of all or substantially all of its assets to another non-Loan Party Subsidiary or to any Foreign Borrower (upon voluntary liquidation or otherwise) or (iii) Parent Borrower or any Subsidiary of the Parent Borrower may Dispose of all or substantially all of its assets pursuant to a Disposition permitted by Section 7.5; provided that, with respect to any such Disposition by a Borrower, either (x) such Disposition by such Borrower must be to a Domestic Loan Party or (y) with respect to a Subsidiary Borrower, prior to such Disposition, all outstanding Loans made to such Subsidiary Borrower shall have been repaid in full, all L/C Obligations in respect of any Letters of Credit issued for the account of such Subsidiary Borrower shall have been cash collateralized, all other amounts owing by such Subsidiary Borrower under this Agreement and the other Loan Documents shall have been repaid in full (it being agreed that any such repayment or cash collateralization shall be in accordance with the other terms of this Agreement), and a Termination Letter shall have been delivered with respect to such Subsidiary Borrower in accordance with Section 2.21(a)(ii);

(d) any Investment permitted by Section 7.7 may be structured as a merger, consolidation or amalgamation;

(e) any Subsidiary that has no material assets may be dissolved or liquidated; and

(f) any Subsidiary of the Parent Borrower (other than a Borrower) that is an LLC may consummate a Division as the Dividing Person if, immediately upon the consummation of the Division, the assets of the applicable Dividing Person are held by one or more Subsidiaries of the Parent Borrower at such time, or, with respect to assets not so held by one or more such Subsidiaries, such Division, in the aggregate, would result in a Disposition permitted by Section 7.5(e).

7.5 Disposition of Property. Dispose of any of its property, whether now owned or hereafter acquired, or, in the case of any Subsidiary of the Parent Borrower, issue or sell any shares of such Subsidiary's Capital Stock to any Person, except:

(a) the Disposition of obsolete or worn out property in the ordinary course of business;

(b) the sale of inventory in the ordinary course of business;

(c) Dispositions permitted by clauses (i) and (ii) of Section 7.4(c);

(d) the sale or issuance of any Subsidiary's Capital Stock to the Parent Borrower or any Subsidiary Guarantor; and

(e) the Disposition of other property including the sale or issuance of any Subsidiary's Capital Stock; provided that after giving pro forma effect to such Dispositions, the sum of the Total Revolving Extensions of Credit *plus* the Total CMBX Termination Liability shall not exceed the Maximum Permitted Outstanding Amount.

7.6 Restricted Payments. Declare or pay any dividend (other than dividends payable solely in common stock, partnership interests or membership interests of the Person making such dividend) on, or make any 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 any Group Member, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of any Group Member (collectively, "Restricted Payments"), except that:

(a) any Subsidiary may make Restricted Payments to the Parent Borrower, any Subsidiary Guarantor and each other owner of Capital Stock of such Subsidiary, which Restricted Payments shall either be paid ratably to the owners entitled thereto or otherwise in accordance with any preferences or priorities among the owners applicable thereto;

(b) the Parent Borrower and any Subsidiary may repurchase Capital Stock in the Parent Borrower or any such Subsidiary deemed to occur upon exercise of stock options or warrants if such Capital Stock represents a portion of the exercise price of such options or warrants;

(c) the Parent Borrower and any Subsidiary may make Restricted Payments to acquire the Capital Stock held by any other shareholder, member or partner in a Subsidiary that is not wholly-owned directly or indirectly by the Parent Borrower to the extent ~~constituting an Investment permitted by Section 7.7;~~permitted pursuant to a transaction permitted under Section 7.7; provided that the aggregate amount of Restricted Payments permitted by this clause (c) after the Third Amendment Effective Date shall not exceed $10,000,000;

~~(d) so long as no Default or Event of Default shall have occurred and be continuing, the Parent Borrower may purchase (and make distributions to permit the REIT Entity to purchase) its common stock, partnership interests or membership interests, as applicable, or options with respect thereto from present or former officers or employees of any Group Member upon the death, disability or termination of employment of such officer or employee; provided, that the aggregate amount of payments under this clause (d) after the date hereof (net of any proceeds received by the Parent Borrower after the date hereof in connection with resales of any such Capital Stock or Capital Stock options so purchased) shall not exceed $10,000,000;~~

(d) [reserved];

(e) ~~(i)~~ so long as no Event of Default under Section 8(a) or (f) shall have occurred and be continuing or would result therefrom, the Parent Borrower shall be permitted to declare and pay dividends and distributions on its Capital Stock or make distributions with respect thereto in an amount not to exceed the greater of (x) such amount as is necessary for the REIT Entity to maintain its status as a REIT under the Code and (y) such amount as is necessary for the REIT Entity to avoid income tax and, so long as no Default shall have occurred and be continuing or shall result therefrom, excise tax under the Code ~~and (ii) the Parent Borrower shall be permitted to declare and pay an additional amount of dividends and distributions on its Capital Stock or make distributions with respect thereto so long as (x) no Default or Event of Default shall have occurred and be continuing or would result therefrom and (y) after giving pro forma effect to any such dividend or distribution, the Parent Borrower shall be in compliance with Section 7.1;~~;

(f) ~~the Parent Borrower may make Restricted Payments constituting purchases or redemptions by the Parent Borrower of shares of its Capital Stock (and the Parent Borrower may make such cash distributions as may be required to enable the REIT Entity to purchase or redeem shares of Capital Stock), but only to the extent that immediately after giving effect to each such Restricted Payment (i) no Default or Event of Default is then continuing or shall occur and (ii) the Parent Borrower shall be in compliance with the financial covenants set forth in Section 7.1 on a pro forma basis;~~[reserved];

(g) ~~the Parent Borrower and each Subsidiary thereof, in addition to distributions permitted by Section 7.6(f), may purchase, redeem or otherwise acquire Capital Stock issued by it with the proceeds received from the issuance of new shares of its common stock or other Capital Stock within ninety (90) days (or by such later date as the Administrative Agent may agree in its sole discretion) of such issuance;~~[reserved];

(h) ~~the Parent Borrower, or any other Subsidiary of the REIT Entity in a so-called "DownREIT transaction", may redeem for cash limited partnership interests or membership interests in the Parent Borrower or such Subsidiary, respectively, pursuant to customary redemption rights granted to the applicable limited partner or member, but only to the extent that, in the good faith determination of the REIT Entity, issuing shares of the REIT Entity in redemption of such partnership or membership interests reasonably could be considered to impair its ability to maintain its status as a REIT; and~~[reserved]; and

(i) to the extent constituting a Restricted Payment, payments by the Parent Borrower to the REIT Entity to the extent required to fund administrative and operating expenses of the REIT Entity, including, without limitation, to fund liabilities of the REIT Entity that would not result in a default under Section 8(l), to the extent attributable to any activity of or with respect to the REIT Entity that is not otherwise prohibited by this Agreement;

provided that, notwithstanding the foregoing, in no event shall the Parent Borrower make any Restricted Payments during the period from and after the Initial Revolving Termination Date upon the exercise by

the Parent Borrower of any Extension Option (other than Restricted Payments permitted pursuant to clauses (b)~~, (c), (d)~~ and (e) above~~; provided that the amount of any dividend and distribution permitted pursuant to clause (e)(ii) above shall not exceed the amount of the most recent ordinary dividend that was distributed with respect to the Capital Stock of the Parent Borrower pursuant to such clause (e)(ii) prior to the Initial Revolving Termination Date).~~).

7.7 Investments. Make any advance, loan, extension of credit (by way of guaranty or otherwise) or capital contribution to, or purchase any Capital Stock, bonds, notes, debentures or other debt securities of, or any assets constituting a business unit of, or make any other investment in, any Person (all of the foregoing, "Investments"), except:

(a) extensions of trade credit in the ordinary course of business;

(b) investments in Cash Equivalents;

(c) Guarantee Obligations permitted by Section 7.2;

(d) loans and advances to employees of any Group Member (i) in the ordinary course of business (including for travel, entertainment and relocation expenses) in an aggregate amount for all Group Members not to exceed $1,000,000 at any one time outstanding and (ii) in connection with such employee's purchase of Capital Stock of a Group Member in an aggregate amount for all Group Members not to exceed $5,000,000 at any one time outstanding; provided that no cash is actually advanced pursuant to this clause (d)(ii) unless immediately repaid;

(e) (i) intercompany Investments by any Group Member in any Domestic Borrower or any Person that, prior to such investment, is a Subsidiary Guarantor~~;~~, (ii) intercompany Investments by any Group Member in any Subsidiary; provided, that, the proceeds of such Investment are not used to fund or acquire an Investment Asset or any other investment in a Person that is not a Group Member unless otherwise permitted under another subclause of this Section 7.7, and (iii) Investments as are necessary or appropriate in the Parent Borrower's reasonable business judgment to maintain, administer and otherwise realize on any previously made Investments;

(f) in addition to Investments otherwise permitted by this Section, Investments by the Parent Borrower or any of its Subsidiaries that do not constitute Restricted Investments and are contractually committed by the Parent Borrower or such Subsidiary on the Third Amendment Effective Date and listed on Schedule 7.7(f), so long as no Default shall have occurred and be continuing at the time of entering into ~~an~~such agreement to make such Investment or shall result therefrom;

(g) any Investment if and to the extent that the Parent Borrower determines in good faith that the making such Investment is reasonably necessary to permit it (or the REIT Entity) to satisfy the requirements applicable to REITs under the Code, so long as no Default pursuant to Section 8(a) or (f) shall have occurred and be continuing at the time of entering into such agreement to make such Investment or shall result therefrom; and

(h) any ~~CMBX Contract permitted pursuant to Section 7.11(c).~~First Priority Commercial Real Estate Debt Investment solely to the extent such First Priority Commercial Real Estate Debt Investment is eligible to replace any First Priority Commercial Real Estate Debt Investments that, as of the Third Amendment Effective Date, constitutes part of the collateral portfolio of CLNC 2019-FL1.

7.8 Optional Payments and Modifications of Certain Debt Instruments. (a) Make or offer to make (other than an offer conditioned upon the Payment in Full or upon the requisite consent of

the Lenders) any optional or voluntary payment, prepayment, repurchase or redemption of or otherwise optionally or voluntarily defease or segregate funds with respect to Indebtedness in an aggregate principal amount in excess of $25,000,000 during the term of the Revolving Facility (other than (A) the refinancing thereof with any Indebtedness permitted to be incurred under Section 7.2 (provided such Indebtedness does not shorten the maturity date thereof), (B) the conversion or exchange of any such Indebtedness to Capital Stock of the Parent Borrower (other than Disqualified Capital Stock), including any issuance of such Capital Stock in respect of which the proceeds are applied to the payment of such Indebtedness, (C) repayments, redemptions, purchases, defeasances and other payments in respect of any such Indebtedness of any non-Loan Party; provided that payments referred to in this clause (C) shall only be permitted so long as after giving effect thereto, the Parent Borrower is in pro forma compliance with Section 7.1(a) and (D) prepayments of Indebtedness in the nature of revolving loan facilities, including Permitted Warehouse Indebtedness); (b) amend, modify, waive or otherwise change, or consent or agree to any amendment, modification, waiver or other change to, any of the terms of Material Indebtedness (other than any such amendment, modification, waiver or other change that either (A) (i) would extend the maturity or reduce the amount of any payment of principal thereof or reduce the rate or extend any date for payment of interest thereon and (ii) does not involve the payment of a consent fee, or (B) taken as a whole, is not materially adverse to the Parent Borrower and its Subsidiaries, taken as whole, or the Lenders); or (c) amend, modify, waive or otherwise change, or consent or agree to any amendment, modification, waiver or other change to, any of the terms of any preferred stock of the Parent Borrower (other than any such amendment, modification, waiver or other change that either (A) (i) would extend the scheduled redemption date or reduce the amount of any scheduled redemption payment or reduce the rate or extend any date for payment of dividends thereon and (ii) does not involve the payment of a consent fee or (B) taken as a whole, is not materially adverse to the Parent Borrower and its Subsidiaries, taken as a whole, or the Lenders); provided, that such actions described in clauses (a), (b) and (c) may be taken if and to the extent that the Parent Borrower determines in good faith that such action is reasonably necessary to permit it (or the REIT Entity) to satisfy the requirements applicable to REITs under the Code, so long as no Default pursuant to Section 8(a) or (f) shall have occurred and be continuing at the time of entering into such agreement to make such Investment or shall result therefrom. Notwithstanding the foregoing, this Section 7.8 shall not apply to (i) intercompany Indebtedness, (ii) Indebtedness incurred pursuant to Section 7.2(h) or (iii) obligations of any Pledged Affiliate or Group Member whose Capital Stock is owned directly or indirectly by a Pledged Affiliate.

7.9 Transactions with Affiliates. Enter into any transaction, including any purchase, sale, lease or exchange of property, the rendering of any service or the payment of any management, advisory or similar fees, with any Affiliate (other than any Domestic Borrower or any Subsidiary Guarantor) unless such transaction is (a) otherwise permitted under this Agreement, (b) in the ordinary course of business of the relevant Group Member, and (c) upon fair and reasonable terms no less favorable to the relevant Group Member than it would obtain in a comparable arm's length transaction with a Person that is not an Affiliate; provided that (i) so long as no Event of Default under Section 8(a) or (f) shall have occurred and be continuing or would result therefrom and to the extent permitted under the Management Subordination Agreement, the requirements of this Section 7.9 shall not apply to transactions under the Management Agreement and the payment of management fees to the Manager pursuant to the Management Agreement and (ii) the requirements of this Section 7.9 shall not apply to (A) transactions subject to the restrictions set forth in Section 7.6 or 7.7 that are permitted pursuant to Sections 7.6 or 7.7, as applicable or (B) payments by the Parent Borrower to the REIT Entity to the extent required to fund administrative and operating expenses of the REIT Entity.

7.10 Accounting Changes. Make any change in accounting policies or reporting practices, except in accordance with GAAP or required by any governmental or regulatory authority; provided that the Parent Borrower shall notify the Administrative Agent of any such change made in accordance with GAAP or required by any governmental or regulatory authority.

7.11 Swap Agreements. Enter into any Swap Agreement, except (a) Swap Agreements entered into to hedge or mitigate risks to which the Parent Borrower or any Subsidiary has actual or anticipated exposure (other than those in respect of Capital Stock), (b) Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from floating to fixed rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the Parent Borrower or any Subsidiary and (c) any CMBX Contract; provided that the aggregate notional amount of all such CMBX Contracts shall not exceed 10% of the Total Asset Value of the Parent Borrower and its Consolidated Subsidiaries at any time outstanding.

7.12 Changes in Fiscal Periods. Permit the fiscal year of the Parent Borrower to end on a day other than December 31 or change the Parent Borrower's method of determining fiscal quarters.

7.13 Negative Pledge Clauses. Enter into or suffer to exist or become effective any agreement that prohibits or limits the ability of any Loan Party to create, incur, assume or suffer to exist any Lien upon any of its property or revenues of the type intended to constitute Collateral, whether now owned or hereafter acquired, to secure its obligations under the Loan Documents to which it is a party other than (a) this Agreement and the other Loan Documents, (b) any agreements governing (i) any purchase money Liens or Capital Lease Obligations or other secured Indebtedness otherwise permitted hereby (in each case, which prohibition or limitation shall only be effective against the assets financed thereby which in any event shall not include Collateral) or (ii) Indebtedness of an Excluded Subsidiary of the type described in clause (ii) of the definition of Excluded Subsidiary (in each case, where such limitation or prohibition is only effective against the equity interests owned by a Loan Party in such Excluded Subsidiary), (c) provisions in joint venture agreements and other similar agreements applicable to joint ventures permitted under Section 7.7 and applicable solely to such joint venture and direct or indirect ownership interests therein and (d) change of control or similar limitations applicable to the upstream ownership of any Investment Asset; provided, in the case of clauses (c) and (d) above, that no Liens securing Indebtedness (other than Liens constituting a Non-Recourse Pledge) are permitted to exist on such assets.

7.14 Use of Proceeds. Request any Loan or Letter of Credit, and no Borrower shall use, and each Borrower shall procure that its Affiliates and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Loan or Letter of Credit (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws or (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, to the extent such activities, businesses or transaction would be prohibited by Sanctions if conducted by a corporation incorporated in the United States or in a European Union member state.

7.15 Nature of Business. Enter into any line of business, either directly or through any Subsidiary, substantially different from those lines of business conducted by the Parent Borrower and its Subsidiaries on the date hereof or any business substantially related or incidental thereto.

7.16 Margin Stock. Use the proceeds of any Loan, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the Board) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

7.17 Amendment, Waiver and Terminations of Certain Agreements. (a) Directly or indirectly, consent to, approve, authorize or otherwise suffer or permit any amendment, change, cancellation, termination or waiver in any respect of the terms of any organizational document of any

Loan Party, Subsidiary thereof or any Affiliated Investor (other than a waiver by the Parent Borrower of the ownership limitations in and pursuant to its organizational documents), in each case other than amendments and modifications that, taken as a whole, are not materially adverse to the Administrative Agent or the Lenders.

(b) Directly or indirectly, consent to, approve, authorize or otherwise suffer or permit any (i) cancellation, termination or replacement of the Management Agreement, without the prior written consent of the Administrative Agent and the Required Lenders or (ii) amendment, modification or waiver in any respect any of the terms or provisions of the Management Agreement that results in (x)(A) the Manager no longer serving as the "Manager" thereunder, (B) an increase in the amount of any fees payable to the Manager thereunder or (C) any other change in the fee structure set forth in the Management Agreement that is materially adverse to the Parent Borrower or any of its Subsidiaries, in the case of each of subclauses (A), (B) and (C) of this clause (x), without the prior written consent of the Administrative Agent and the Required Lenders or (y) any other change to the terms and provisions of the Management Agreement that is adverse in any material respect to the Parent Borrower or any of its Subsidiaries, without the prior written consent of the Administrative Agent.

SECTION 8. EVENTS OF DEFAULT

If any of the following events shall occur and be continuing:

(a) any Borrower shall fail to pay (x) any principal of any Loan or Reimbursement Obligation when due in accordance with the terms hereof; (y) any interest on any Loan or Reimbursement Obligation or any fees payable hereunder or under any other Loan Document within three days after any such interest or fees becomes due or (z) any other amount payable hereunder or under any other Loan Document within five days after such other amount becomes due, in each case, in accordance with the terms hereof; or

(b) any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document shall prove to have been inaccurate in any material respect on or as of the date made or deemed made; or

(c) any Loan Party shall default in the observance or performance of any agreement contained in Section 6.2(d), Section 6.4(a)(i) (with respect to a Borrower only), Section 6.7(a), Section 6.9, Section 6.14 or Section 7 of this Agreement; or

(d) any Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document (other than as provided in paragraphs (a) through (c) of this Section), and such default shall continue unremedied for a period of 30 days after the earlier of (i) the date that any Borrower gains knowledge of such default and (ii) notice to the Parent Borrower from the Administrative Agent or the Required Lenders; or

(e) any Loan Party shall (i) default in making any payment of any principal of any Indebtedness (including any Guarantee Obligation, but excluding the Loans and any Non-Recourse Indebtedness) on the scheduled or original due date with respect thereto; or (ii) default in making any payment of any interest on any such Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created; or (iii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder

or beneficiary of such Indebtedness (or a trustee or agent on behalf of such holder or beneficiary) to cause, with the giving of notice if required, such Indebtedness to become due prior to its stated maturity or (in the case of any such Indebtedness constituting a Guarantee Obligation) to become payable by a Loan Party; provided, that a default, event or condition described in clause (i), (ii) or (iii) of this paragraph (e) shall not at any time constitute an Event of Default unless, at such time, one or more defaults, events or conditions of the type described in clauses (i), (ii) and (iii) of this paragraph (e) shall have occurred and be continuing with respect to Indebtedness the aggregate outstanding principal amount of which is $40,000,000 or more; provided further, that this clause (iii) shall not apply to any Indebtedness that becomes due as a result of customary non-default mandatory prepayments resulting from asset sales, casualty or condemnation events, the incurrence of Indebtedness, equity issuances or excess cash flow or any similar concept; or

(f) (i) any Loan Party shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets; or (ii) there shall be commenced against any Loan Party any case, proceeding or other action of a nature referred to in clause (i) above that (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed or undischarged for a period of 60 days; or (iii) there shall be commenced against any Loan Party any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) any Loan Party shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) any Loan Party shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or (vi) or any Loan Party shall make a general assignment for the benefit of its creditors; or

(g) (i) an ERISA Event or a Foreign Plan Event shall have occurred; (ii) a trustee shall be appointed by a United States district court to administer any Pension Plan; (iii) the PBGC shall institute proceedings to terminate any Pension Plan; (iv) any Group Member or any of their respective ERISA Affiliates shall have been notified by the sponsor of a Multiemployer Plan that it has incurred or will be assessed Withdrawal Liability to such Multiemployer Plan and such entity does not have reasonable grounds for contesting such Withdrawal Liability or is not contesting such Withdrawal Liability in a timely and appropriate manner; or (v) any other event or condition shall occur or exist with respect to a Plan, a Foreign Benefit Arrangement, or a Foreign Plan; and in each case in clauses (i) through (v) above, such event or condition, together with all other such events or conditions, if any, could reasonably be expected to result in a Material Adverse Effect; or

(h) one or more judgments or decrees shall be entered against any Loan Party involving in the aggregate a liability (not paid or fully covered by insurance as to which the relevant insurance company has not denied coverage) of $40,000,000 or more, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 45 days from the entry thereof; or

(i) any of the Loan Documents shall cease, for any reason, to be in full force and effect, or any Loan Party or any Affiliate of any Loan Party shall so assert, or any Lien created by any of the Security Documents shall cease to be enforceable and of the same effect and priority purported to be created thereby; or

(j) the guarantee contained in Section 2 of the Guarantee and Collateral Agreement shall cease, for any reason, to be in full force and effect or any Loan Party or any Affiliate of any Loan Party shall so assert; or

(k) (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) shall become, or obtain rights (whether by means or warrants, options or otherwise) to become, the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an "option right")), directly or indirectly, of more than 35% of the outstanding common stock of the REIT Entity, (ii) the board of directors of the REIT Entity shall cease to consist of a majority of Continuing Directors, (iii) the Parent Borrower shall cease to own, directly or indirectly, 100% of the Capital Stock and other equity interests of each Subsidiary Borrower, in each case, free and clear of all Liens (other than Liens in favor of the Administrative Agent for the benefit of the Secured Parties) or (iv) the REIT Entity shall cease to be the sole managing member of the Parent Borrower or the REIT Entity shall cease to own, directly, (1) at least a majority of the total voting power of the then outstanding voting Capital Stock of the Parent Borrower or (2) Capital Stock of the Parent Borrower representing at least a majority of the total economic interests of the Capital Stock of the Parent Borrower, in each case free and clear of all Liens (other than Liens in favor of the Administrative Agent for the benefit of the Secured Parties); or

(l) the REIT Entity shall (i) conduct, transact or otherwise engage in, or commit to conduct, transact or otherwise engage in, any business or operations other than those incidental to the consummation of the Transactions, its existence as a publicly-traded REIT (including in relation to any issuance and sale of any Capital Stock therein) and ownership of the Capital Stock of the Parent Borrower and the intercompany arrangements described in clause (iii) below, (ii) incur, create, assume or suffer to exist any Indebtedness or other liabilities or financial obligations, except (w) nonconsensual obligations imposed by operation of law, (x) obligations with respect to its Capital Stock and the intercompany arrangements described in clause (iii) below, (y) Guarantee Obligations in respect of Convertible Notes and (z) liabilities (other than Indebtedness) incidental to the activities described in clause (i) above, including liabilities associated with employment contracts, executive officer and director indemnification agreements and employee benefit matters, or (iii) own, lease, manage or otherwise operate any properties or assets (including cash (other than cash received in connection with dividends made by the Parent Borrower in accordance with Section 7.6 pending application in the manner contemplated by said Section) and cash equivalents, other assets approved by the Administrative Agent with an aggregate book value not to exceed $25,000,000) other than the ownership of shares of Capital Stock of the Parent Borrower and, to the extent constituting assets, intercompany arrangements in favor of the REIT Entity in relation to providing funding for obligations of the REIT Entity, as well as other contractual intercompany arrangements of immaterial value;

(m) any Intermediate Holdco Subsidiary shall fail to satisfy the requirements of the definition thereof, provided that, any failure to adhere to the requirements of this clause (m) may be remedied by the Parent Borrower by causing such Intermediate Holdco Subsidiary to become a Subsidiary Guarantor within 15 days after the earlier of (i) the date that the Parent Borrower gains knowledge of such default and (ii) notice to the Parent Borrower from the Administrative Agent or the Required Lenders of such default; or

(n) the Manager or an Affiliate of the Manager shall cease to be the investment manager of the REIT Entity;

then, and in any such event, (A) if such event is an Event of Default specified in clause (i) or (ii) of paragraph (f) above with respect to any Borrower, automatically the Revolving Commitments shall immediately terminate and the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) shall immediately become due and payable, and (B) if such event is any other Event of Default, either or both of the following actions may be taken: (i) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Parent Borrower declare the Revolving Commitments to be terminated forthwith, whereupon the Revolving Commitments shall immediately terminate; and (ii) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Parent Borrower, declare the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) to be due and payable forthwith, whereupon the same shall immediately become due and payable. With respect to all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to this paragraph, the Borrowers with Letters of Credit then outstanding, shall at such time deposit in a cash collateral account opened by the Administrative Agent an amount equal to the aggregate then undrawn and unexpired amount of such Letters of Credit. Amounts held in such cash collateral account shall be applied by the Administrative Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay other obligations of the Borrowers hereunder and under the other Loan Documents. After all such Letters of Credit shall have expired or been fully drawn upon, all Reimbursement Obligations shall have been satisfied and all other obligations of the Borrowers hereunder and under the other Loan Documents shall have been paid in full, the balance, if any, in such cash collateral account shall be returned to the applicable Borrower (or such other Person as may be lawfully entitled thereto). Except as expressly provided above in this Section, presentment, demand, protest and all other notices of any kind are hereby expressly waived by the Borrowers.

SECTION 9. THE AGENTS

9.1 Appointment. Each Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender under this Agreement and the other Loan Documents, and each such Lender irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Administrative Agent.

9.2 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement and the other Loan Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys in-fact selected by it with reasonable care.

9.3 Exculpatory Provisions. Neither any Agent nor any of their respective officers, directors, employees, agents, advisors, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Loan Document (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Agents under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or for any failure of any Loan Party a party thereto to perform its obligations hereunder or thereunder. The Agents shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of any Loan Party.

9.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy or email message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to any Borrower), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Required Lenders (or, if so specified by this Agreement, all Lenders) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Required Lenders (or, if so specified by this Agreement, all Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

9.5 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless the Administrative Agent has received notice from a Lender or the Parent Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, if so specified by this Agreement, all Lenders); provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

9.6 Non-Reliance on Agents and Other Lenders. Each Lender expressly acknowledges that neither the Agents nor any of their respective officers, directors, employees, agents, advisors, attorneys-in-fact or affiliates have made any representations or warranties to it and that no act by any Agent hereafter taken, including any review of the affairs of a Loan Party or any affiliate of a Loan Party, shall be deemed to constitute any representation or warranty by any Agent to any Lender. Each

Lender represents to the Agents that it has, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of any Loan Party or any affiliate of a Loan Party that may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, advisors, attorneys-in-fact or affiliates.

9.7 Indemnification. The Lenders agree to indemnify each Agent and its officers, directors, partners, employees, affiliates, agents, advisors and controlling persons (each, an "Agent Indemnitee") (to the extent not reimbursed by the Borrowers and without limiting the obligation of the Borrowers to do so), ratably according to their respective Aggregate Exposure Percentages in effect on the date on which indemnification is sought under this Section (or, if indemnification is sought after the date upon which the Revolving Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with such Aggregate Exposure Percentages immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against such Agent Indemnitee in any way relating to or arising out of, the Revolving Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent Indemnitee under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from such Agent Indemnitee's gross negligence or willful misconduct. The agreements in this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder. Notwithstanding anything herein to the contrary, the Administrative Agent shall not be liable for, or be responsible for any claim, liability, loss, cost or expense suffered by any Borrower, any Subsidiary or any Lender as a result of any determination of the Aggregate Exposure, any of the component amounts thereof or any portion thereof attributable to each Lender, or any Dollar Equivalent.

9.8 Agent in Its Individual Capacity. Each Agent and its affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Loan Party as though such Agent were not an Agent. With respect to its Loans made or renewed by it and with respect to any Letter of Credit issued or participated in by it, each Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Lender and may exercise the same as though it were not an Agent, and the terms "Lender" and "Lenders" shall include each Agent in its individual capacity.

9.9 Successor Administrative Agent. The Administrative Agent may resign as Administrative Agent upon 30 days' notice to the Lenders and the Parent Borrower. The Required Lenders may by written notice to the Administrative Agent and the Parent Borrower remove the

Administrative Agent if it has become a Defaulting Lender. If the Administrative Agent shall resign or be removed as Administrative Agent under this Agreement and the other Loan Documents, then the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, which successor agent shall (unless an Event of Default under Section 8(a) or Section 8(f) with respect to any Borrower shall have occurred and be continuing) be subject to approval by the Parent Borrower (which approval shall not be unreasonably withheld or delayed), whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any holders of the Loans. If no successor agent has accepted appointment as Administrative Agent by the date that is 30 days following a retiring Administrative Agent's notice of resignation or notice of removal of a removed Administrative Agent, as applicable, the retiring Administrative Agent's resignation or the removed Administrative Agent's removal shall nevertheless thereupon become effective, and the Required Lenders shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent with the consent of the Parent Borrower as provided for above. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of this Section 9 and of Section 10.5 shall continue to inure to its benefit.

9.10 Arrangers and Syndication Agent. Neither the Arrangers nor the Syndication Agent shall have any duties or responsibilities hereunder in their respective capacities as such.

9.11 ERISA Matters. (a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and each Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the any Borrower, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments ~~Increases~~,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to, and all of the conditions of which are and will continue to be satisfied in connection with, such Lender's entrance into, participation in, administration of and performance of the Loans, Letters of Credit, the Commitments ~~Increases~~ and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments ~~Increases~~ and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments ~~Increases~~ and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge

of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments ~~Increases~~ and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and each Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of any Borrower, that none of the Administrative Agent or any Arranger or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement or any documents related to hereto or thereto),

(c) The Administrative Agent and each Arranger hereby informs the Lenders that each such Person is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Letters of Credit, the Commitments ~~Increases~~ and this Agreement, (ii) may recognize a gain if it extended the Loans, the Letters of Credit or the Commitments ~~Increases~~ for an amount less than the amount being paid for an interest in the Loans, the Letters of Credit or the Commitments ~~Increases~~ by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

As used in this Section 9.11, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

SECTION 10. MISCELLANEOUS

10.1 Amendments and Waivers. Except as specifically provided in any Loan Document, neither this Agreement, any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 10.1. The Required Lenders and each Loan Party party to the relevant Loan Document may, or, with the written consent of the Required Lenders, the Administrative Agent and each Loan Party party to the relevant Loan Document may, from time to time, (a) enter into written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights of the Lenders or of the Loan Parties hereunder or thereunder or (b) waive, on such terms and conditions as the Required Lenders or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall (i) forgive the principal amount or extend the final scheduled date of maturity of any Loan of any Lender

(except as provided in Section 2.20), reduce the stated rate of any interest or fee payable hereunder to any Lender (except (x) in connection with the waiver of applicability of any post-default increase in interest rates (which waiver shall be effective with the consent of the Required Lenders) and (y) that any amendment or modification of defined terms used in the financial covenants in this Agreement shall not constitute a reduction in the rate of interest or fees for purposes of this clause (i)) or extend the scheduled date of any payment thereof, or increase the amount or extend the expiration date of any Lender's Revolving Commitment (except as provided in Section 2.20), in each case without the written consent of such Lender; (ii) eliminate or reduce the voting rights of any Lender under this Section 10.1 without the written consent of such Lender; (iii) reduce any percentage specified in the definition of Required Lenders or Supermajority Lenders or consent to the assignment or transfer by any Borrower of any of its rights and obligations under this Agreement and the other Loan Documents, in each case without the written consent of all Lenders; provided that, for the avoidance of doubt, the designation of a Subsidiary Borrower in accordance with Section 2.21(a)(i) shall not be deemed to be an assignment or transfer of rights and obligations; (iv) except as otherwise permitted by the Loan Documents on the date hereof, release all or substantially all of the Collateral or release all or substantially all of the Subsidiary Guarantors from their obligations under the Guarantee and Collateral Agreement, in each case, without the written consent of all Lenders; (v) amend, modify or waive any provision of Section 2.12(a) or (b) without the written consent of all Lenders; provided that amendments permitting the extension of the Revolving Termination Date with respect to any or all Revolving Commitments which provide for compensation solely to extending Lenders, by increasing the Applicable Margin applicable thereto or otherwise, shall not be considered an amendment, modification or waiver of Section 2.12; (vi) amend, modify or waive any provision of Section 9 or any other provision of any Loan Document that affects the rights or duties of the Administrative Agent without the written consent of the Administrative Agent; (vii) amend, modify or waive any provision affecting the Maximum Permitted Outstanding Amount or the component definitions thereof which has the effect of increasing the Maximum Permitted Outstanding Amount (but excluding any technical amendments to the definition of Maximum Permitted Outstanding Amount or any component definition thereof) without the written consent of the Supermajority Lenders; (viii) amend, modify or waive any provision of Section 3 without the written consent of each Issuing Lender or (ix) amend Section 6.3 of the Guarantee and Collateral Agreement without the consent of each Lender directly affected thereby. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Loan Parties, the Lenders, the Administrative Agent and all future holders of the Loans. In the case of any waiver, the Loan Parties, the Lenders and the Administrative Agent shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

Notwithstanding the foregoing, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and the Borrowers (a) to add one or more additional credit facilities to this Agreement on such terms as provided for in any such amendment, including, without limitation, for purposes of effecting an extension of the Revolving Termination Date in respect of the Revolving Commitments, held by each Lender agreeing to such extension, and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share in the benefits of this Agreement and the other Loan Documents with the Revolving Extensions of Credit and the accrued interest and fees in respect thereof and (b) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and the Supermajority Lenders.

Furthermore, notwithstanding the foregoing, the Administrative Agent, with the consent of the Borrowers, may amend, modify or supplement any Loan Document without the consent of any Lender or the Required Lenders (a) in order to correct, amend or cure any ambiguity, inconsistency or

defect or correct any typographical error or other manifest error in any Loan Document (b) to add or effect changes to administrative or ministerial provisions contained herein reasonably believed to be required as a result of the addition of Subsidiary Borrowers pursuant to Section 2.21 and (c) pursuant to Section 2.11.

10.2 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, addressed as follows in the case of any Borrower and the Administrative Agent, and as set forth in an administrative questionnaire delivered to the Administrative Agent in the case of the Lenders, or to such other address as may be hereafter notified by the respective parties hereto:

Any Borrower:	Credit RE Operating Company, LLC 515 S. Flower Street, 44th Floor Los Angeles, CA 90071 Attention: Director – Legal Department Telecopy: 310-282-8820 Telephone: 310-282-8820 with a copy to: 590 Madison Avenue 34th Floor New York, NY 10022 Attention: Mr. Ron Sanders Telecopy: 212.593.5433 Telephone: 212.230.3300
Administrative Agent:	500 Stanton Christiana Road, Ops 2, Floor 03 Newark, DE, 19713-2107 Attention: Joseph Burke Telecopy: 302-634-4733 Telephone: 302-634-1697 with a copy to: 383 Madison Ave, Floor 23 New York, NY 10179 Attention: Catherine Mahony Telephone: 212-270-5320 x65320

provided that any notice, request or demand to or upon the Administrative Agent or the Lenders shall not be effective until received.

Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent;

provided that the foregoing shall not apply to notices pursuant to Section 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or any Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

10.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

10.4 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans and other extensions of credit hereunder.

10.5 Payment of Expenses and Taxes. The Borrowers agree (in the case of the Domestic Borrowers, on a joint and several basis) (a) to pay or reimburse the Administrative Agent and each Arranger for all its reasonable and documented out-of-pocket costs and expenses incurred in connection with the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement and the other Loan Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable and documented out-of-pocket fees and disbursements of one primary counsel to the Administrative Agent and the Arrangers and, if reasonably necessary, one local counsel per necessary jurisdiction, and filing and recording fees and expenses, with statements with respect to the foregoing to be submitted to the Parent Borrower prior to the Closing Date (in the case of amounts to be paid on the Closing Date) and from time to time thereafter on a quarterly basis or such other periodic basis as the Administrative Agent shall deem appropriate, but in any event no earlier than ten (10) Business Days after receipt by the Parent Borrower of a reasonably detailed invoice therefor, (b) to pay or reimburse each Lender, each Issuing Lender and the Administrative Agent for all its reasonable and documented out-of-pocket costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Loan Documents and any such other documents, including the reasonable and documented out-of-pocket fees and disbursements of any counsel to any Lender and of counsel to the Administrative Agent (but in such case limited to, the reasonable and documented out-of-pocket fees and disbursements of one primary counsel to the Administrative Agent, one primary counsel to the Lenders (as selected by the Required Lenders other than the Administrative Agent) and, to the extent reasonably necessary, one local counsel in each applicable jurisdiction, and, in the case of a conflict of interest, one additional primary counsel and one additional local counsel in each applicable jurisdiction for such Persons affected by such conflict), and (c) to pay, indemnify, and hold each Lender, each Issuing Lender, each Arranger and the Administrative Agent, their respective affiliates, and their respective officers, directors, employees, agents, advisors and controlling persons (each, an "Indemnitee") harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement and the other Loan Documents and any such other documents, including any claim, litigation, investigation or proceeding (a "Proceeding") regardless of whether any Indemnitee is a party thereto and whether or not the same are brought by any Borrower, its equity holders, affiliates or creditors or any other Person, including any of the foregoing relating to the use of proceeds of the Loans or the violation of, noncompliance with or liability under, any Environmental Law applicable to the operations

of any Group Member or any of the Properties and the reasonable and documented out-of-pocket fees and expenses of one primary legal counsel and, if reasonably necessary, one single local counsel in each relevant jurisdiction for all Indemnitees taken as a whole (and solely in the case of a conflict in interest, one additional primary counsel and one additional counsel in each relevant jurisdiction to each group of affected Indemnitees similarly situated taken as a whole) in connection with claims, actions or proceedings by any Indemnitee against any Loan Party under any Loan Document (all the foregoing in this clause (c), collectively, the "Indemnified Liabilities"), provided, that no Borrower shall have any obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities are (x) found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence, bad faith or willful misconduct of, or material breach of any Loan Document by, such Indemnitee, or (y) related to any dispute solely among the Indemnitees other than any dispute involving an Indemnitee in its capacity or in fulfilling its role as the Administrative Agent or Arranger or any similar role under this Agreement unless such dispute is related to any claims arising out of or in connection with any act or omission of any Borrower or any of its Affiliates and provided, further, that this Section 10.5(c) shall not apply with respect to Taxes other than any Taxes that represent losses or damages arising from any non-Tax claim and shall not duplicate any amounts paid under Section 2.13 or Section 2.15. Without limiting the foregoing, and to the extent permitted by applicable law, the Borrowers agree not to assert and to cause their respective Subsidiaries not to assert, and hereby waive and agree to cause their respective Subsidiaries to waive, all rights for contribution or any other rights of recovery with respect to all claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature, under or related to Environmental Laws, that any of them might have by statute or otherwise against any Indemnitee. No Indemnitee shall be liable for any damages arising from the use by others of information or other materials obtained through electronic, telecommunications or other information transmission systems, except to the extent any such damages are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence, bad faith or willful misconduct of such Indemnitee. None of the parties hereto shall assert, and each hereby waives, any claim for any indirect, special, exemplary, punitive or consequential damages in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby (except that nothing contained in this sentence shall limit the Borrowers' indemnity obligations under this Section 10.5). All amounts due under this Section 10.5 shall be payable not later than 10 Business Days after receipt of a reasonably detailed invoice therefor. Statements payable by the Borrowers pursuant to this Section 10.5 shall be submitted to Director – Legal Department (Telephone No. 310-282-8820) (Telecopy No. 310-282-8808), at the address of the Parent Borrower set forth in Section 10.2, or to such other Person or address as may be hereafter designated by the Parent Borrower in a written notice to the Administrative Agent. The agreements in this Section 10.5 shall survive the termination of this Agreement and the repayment of the Loans and all other amounts payable hereunder. Notwithstanding the foregoing, the Borrowers shall not be liable under this Agreement for any settlement made by any Indemnitee without the prior written consent of the Parent Borrower (which consent shall not be unreasonably withheld or delayed). If any settlement is consummated with the Parent Borrower's written consent or if there is a final judgment for the plaintiff in any such Proceeding, the Borrowers agree to indemnify and hold harmless each Indemnitee from and against any and all losses, claims, damages, liabilities and expenses by reason of such settlement or judgment in accordance with the provisions hereof. The Borrowers further agree that they will not, without the prior written consent of the Indemnitee, settle or compromise or consent to the entry of any judgment in any pending or threatened Proceeding in respect of which indemnification may be sought hereunder (whether or not any Indemnitee is an actual or potential party to such Proceeding) unless such settlement, compromise or consent includes (a) an unconditional release of each Indemnitee from all liability and obligations arising therefrom in form and substance satisfactory to such Indemnitee and (b) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnitee.

10.6 Successors and Assigns; Participations and Assignments. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any affiliate of any Issuing Lender that issues any Letter of Credit), except that (i) the Borrowers may not assign or otherwise transfer any of their rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by any Borrower without such consent shall be null and void); provided that, for the avoidance of doubt, the designation of a Subsidiary Borrower in accordance with Section 2.21(a)(i) shall not be deemed to be an assignment or transfer of rights and obligations and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees (each, an "Assignee"), other than a natural person, any Borrower or any Subsidiary or Affiliate of any Borrower, all or a portion of its rights and obligations under this Agreement (including all or a portion of its Revolving Commitments and the Loans at the time owing to it) with the prior written consent of:

(A) the Parent Borrower (such consent not to be unreasonably withheld or delayed), provided that no consent of the Parent Borrower shall be required for an assignment to a Lender, an affiliate of a Lender, an Approved Fund (as defined below) or, if an Event of Default under Section 8(a) or (f) has occurred and is continuing, any other Person; and provided, further, that the Parent Borrower shall be deemed to have consented to any such assignment unless the Parent Borrower shall object thereto by written notice to the Administrative Agent within five Business Days after having received notice thereof; and

(B) the Administrative Agent (such consent not to be unreasonably withheld or delayed).

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Revolving Commitments or Loans, the amount of the Revolving Commitments or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $5,000,000 unless each of the Parent Borrower and the Administrative Agent otherwise consent, provided that (1) no such consent of the Parent Borrower shall be required if an Event of Default under Section 8(a) or (f) has occurred and is continuing and (2) such amounts shall be aggregated in respect of each Lender and its affiliates or Approved Funds, if any;

(B) (1) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500 and (2) the assigning Lender shall have paid in full any amounts owing by it to the Administrative Agent; and

(C) the Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an administrative questionnaire in which the Assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrowers and

their respective Affiliates and their related parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws.

For the purposes of this Section 10.6, "Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an affiliate of a Lender or (c) an entity or an affiliate of an entity that administers or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) below, from and after the effective date specified in each Assignment and Assumption the Assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.13, 2.14, 2.15 and 9.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 10.6 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrowers, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register (maintained in accordance with Treasury Regulations Sections 5f.103-1(c) and 1.871-14(c)(1)(i)) for the recordation of the names and addresses of the Lenders, and the Revolving Commitments of, and principal amount (and stated interest) of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrowers, the Administrative Agent, the Issuing Lenders and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrowers and any Lender, at any reasonable time and from time to time upon reasonable prior notice; provided that the information contained in the Register which is shared with each Lender (other than the Administrative Agent and its affiliates) shall be limited to the entries with respect to such Lender including the Revolving Commitments of, or principal amount of and stated interest on the Loans owing to such Lender.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an Assignee, the Assignee's completed administrative questionnaire (unless the Assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) Any Lender may, without the consent of any Borrower, the Administrative Agent or any Issuing Lender, sell participations to one or more banks or other entities (a "Participant") in all or a

portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Revolving Commitments and the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrowers, the Administrative Agent, the Issuing Lenders and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver that (i) requires the consent of each Lender directly affected thereby pursuant to the proviso to the second sentence of Section 10.1 and (ii) directly and adversely affects such Participant. Each Lender that sells a participation agrees, at the Parent Borrower's request and expense, to use reasonable efforts to cooperate with the Parent Borrower to effectuate the provisions of Sections 2.16 and 2.17 with respect to any Participant. The Borrowers agree that each Participant shall be entitled to the benefits of Sections 2.13, 2.14 and 2.15 (subject to the requirements and limitations therein, including the requirements under Section 2.14(f) (it being understood that the documentation required under Section 2.14(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (i) agrees to be subject to the provisions of Sections 2.13 and 2.14, 2.15, 2.16 and 2.17 as if it were an assignee under paragraph (b) of this Section and (ii) shall not be entitled to receive any greater payment under Sections 2.13 or 2.14, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from an adoption of or any change in any Requirement of Law or in the interpretation or application thereof or compliance by any Lender with any request or direction (whether or not having the force of law) from any central bank or other Governmental Authority made subsequent to the date hereof that occurs after the Participant acquired the applicable participation. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.7(b) as though it were a Lender, provided such Participant shall be subject to Section 10.7(a) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrowers, maintain a register (maintained in accordance with Treasury Regulations Sections 5f.103-1(c) and 1.871-14(c)(1)(i)) on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any Revolving Commitments, Loans, Letters of Credit or its other obligations under any Loan Document) except to the extent that such disclosure is necessary to establish that such Revolving Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or other central bank having jurisdiction over such Lender, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or Assignee for such Lender as a party hereto. The

Borrowers, upon receipt of written notice from the relevant Lender, agree to issue Notes to any Lender requiring Notes to facilitate transactions of the type described in this paragraph (d).

(e) Muticurrency Lenders. Any assignment by a Multicurrency Lender, so long as no Event of Default has occurred and is continuing with respect to any Borrower, must be to a Person that is able to fund and receive payments on account of each outstanding Agreed Foreign Currency at such time without the need to obtain any authorization referred to in clause (d) of the definition of "Agreed Foreign Currency".

10.7 Adjustments; Set-off. (a) Except to the extent that this Agreement or a court order expressly provides for payments to be allocated to a particular Lender or to the Lenders under a particular facility, if any Lender (a "Benefitted Lender") shall receive any payment of all or part of the Obligations owing to it (other than in connection with an assignment made pursuant to Section 10.6), or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 8(f), or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of the Obligations owing to such other Lender, such Benefitted Lender shall purchase for cash from the other Lenders a participating interest in such portion of the Obligations owing to each such other Lender, or shall provide such other Lenders with the benefits of any such collateral, as shall be necessary to cause such Benefitted Lender to share the excess payment or benefits of such collateral ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) In addition to any rights and remedies of the Lenders provided by law, if an Event of Default shall have occurred and be continuing, each Lender shall have the right, without notice to the Borrowers, any such notice being expressly waived by the Borrowers to the extent permitted by applicable law, to apply to the payment of any Obligations of any Borrower, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such Obligations may be unmatured, by setoff or otherwise, any and all deposits (general or special, time or demand, provisional or final), in any Currency, and any other credits, indebtedness or claims, in any Currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender, any affiliate thereof or any of their respective branches or agencies to or for the credit or the account of the applicable Borrower; provided that if any Defaulting Lender shall exercise any such right of setoff, (i) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of this Agreement and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the Issuing Lenders and the Lenders and (ii) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the obligations owing to such Defaulting Lender as to which it exercised such right of set-off; provided further, that to the extent prohibited by applicable law as described in the definition of "Excluded Swap Obligation," no amounts received from, or set off with respect to, any Subsidiary Guarantor shall be applied to any Excluded Swap Obligations of such Subsidiary Guarantor. Each Lender agrees promptly to notify the Parent Borrower and the Administrative Agent after any such application made by such Lender, provided that the failure to give such notice shall not affect the validity of such application.

10.8 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by email or facsimile transmission shall be effective as delivery of a manually executed

counterpart hereof. A set of the copies of this Agreement signed by all the parties shall be lodged with the Parent Borrower and the Administrative Agent.

10.9 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10.10 Integration. This Agreement and the other Loan Documents represent the entire agreement of the Borrowers, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

10.11 Governing Law**. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

10.12 Submission To Jurisdiction; Waivers. Each Borrower hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the exclusive jurisdiction of the courts of the State of New York in the Borough of Manhattan, the courts of the United States for the Southern District of New York, and appellate courts from any thereof; provided, that nothing contained herein or in any other Loan Document will prevent any Lender or the Administrative Agent from bringing any action to enforce any award or judgment or exercise any right under the Security Documents or against any Collateral or any other property of any Loan Party in any other forum in which jurisdiction can be established;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Borrower at its address set forth in Section 10.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any indirect, special, exemplary, punitive or consequential damages.

10.13 Acknowledgements. Each Borrower hereby acknowledges and agrees that (a) no fiduciary, advisory or agency relationship between the Loan Parties and the Credit Parties is intended to

be or has been created in respect of any of the transactions contemplated by this Agreement or the other Loan Documents, irrespective of whether the Credit Parties have advised or are advising the Loan Parties on other matters, and the relationship between the Credit Parties, on the one hand, and the Loan Parties, on the other hand, in connection herewith and therewith is solely that of creditor and debtor, (b) the Credit Parties, on the one hand, and the Loan Parties, on the other hand, have an arm's length business relationship that does not directly or indirectly give rise to, nor do the Loan Parties rely on, any fiduciary duty to the Loan Parties or their affiliates on the part of the Credit Parties, (c) the Loan Parties are capable of evaluating and understanding, and the Loan Parties understand and accept, the terms, risks and conditions of the transactions contemplated by this Agreement and the other Loan Documents, (d) the Loan Parties have been advised that the Credit Parties are engaged in a broad range of transactions that may involve interests that differ from the Loan Parties' interests and that the Credit Parties have no obligation to disclose such interests and transactions to the Loan Parties, (e) the Loan Parties have consulted their own legal, accounting, regulatory and tax advisors to the extent the Loan Parties have deemed appropriate in the negotiation, execution and delivery of this Agreement and the other Loan Documents, (f) each Credit Party has been, is, and will be acting solely as a principal and, except as otherwise expressly agreed in writing by it and the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Loan Parties, any of their affiliates or any other Person, (g) none of the Credit Parties has any obligation to the Loan Parties or their affiliates with respect to the transactions contemplated by this Agreement or the other Loan Documents except those obligations expressly set forth herein or therein or in any other express writing executed and delivered by such Credit Party and the Loan Parties or any such affiliate and (h) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Credit Parties or among the Loan Parties and the Credit Parties.

10.14 Releases of Guarantees and Liens. (a) Notwithstanding anything to the contrary contained herein or in any other Loan Document, the Administrative Agent is hereby irrevocably authorized by each Lender (including in its capacities as a potential secured counterparty to a Secured Swap Agreement) (without requirement of notice to or consent of any Lender except as expressly required by Section 10.1) to take any action reasonably requested by the Parent Borrower having the effect of releasing any Collateral or guarantee obligations (i) to the extent necessary to permit consummation of any transaction not prohibited by any Loan Document or that has been consented to in accordance with Section 10.1 or (ii) under the circumstances described in paragraphs (b) or (c) below.

(b) Upon Payment in Full, the Collateral shall be automatically released from the Liens created by the Security Documents, and the Security Documents and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent and each Loan Party under the Security Documents shall automatically terminate, all without delivery of any instrument or performance of any act by any Person.

(c) If any of the Collateral shall be sold, transferred or otherwise disposed of in a transaction permitted hereunder, then the Administrative Agent, at the request and sole expense of such Loan Party, shall execute and deliver to such Loan Party all releases or other documents reasonably necessary or desirable for the release of the Liens created by the Guarantee and Collateral Agreement on such Collateral; provided that no Default shall have occurred or be continuing or would result therefrom. At the request and sole expense of the Parent Borrower, any Subsidiary Guarantor, Subsidiary Borrower or the REIT Entity shall be released from its obligations under the Loan Documents, as applicable, in the event that (i) in the case of a Subsidiary Guarantor or Subsidiary Borrower, all the Capital Stock of such Subsidiary Guarantor or Subsidiary Borrower shall be sold, transferred or otherwise disposed of in a transaction permitted hereunder or if such Subsidiary Guarantor shall cease to be a Wholly-Owned Subsidiary of the Parent Borrower as a result of a transaction permitted hereunder or becomes an Excluded Subsidiary pursuant to the terms of this Agreement; provided that in the case of any such

transaction involving a Subsidiary Borrower, (A) the Parent Borrower shall have delivered a Termination Letter with respect to such Subsidiary Borrower in accordance with Section 2.21(a)(ii), (B) the Obligations of such Subsidiary Borrower shall have been repaid in full, (C) any L/C Obligations in respect of Letters of Credit issued for the account of such Subsidiary Borrower shall have been cash collateralized and (D) all other amounts owed by such Subsidiary Borrower under this Agreement and the other Loan Documents shall have been repaid in full, in each case, not later than upon the effectiveness of such release or (ii) in the case of the REIT Entity, upon the request of the Parent Borrower to the extent the REIT Guaranty is not required to be effective pursuant to this Agreement or any other Loan Document; provided that, in each case, no Default shall have occurred and be continuing or would result therefrom; provided further that the Parent Borrower shall have delivered to the Administrative Agent, at least five days (or such shorter period as may be permitted by the Administrative Agent in its sole discretion) prior to the date of the proposed release, a written request for release identifying the relevant Subsidiary Guarantor, Subsidiary Borrower or the REIT Entity (as applicable) and the associated transaction giving rise to the release request in reasonable detail, together with a certification by the Parent Borrower stating that such transaction is in compliance with this Agreement and the other Loan Documents.

(d) Notwithstanding the foregoing, if an Excluded Subsidiary is at any time determined to have been incorrectly designated or joined as a Subsidiary Guarantor (each, a "Specified Subsidiary") then such Specified Subsidiary's obligations under the Loan Documents shall be automatically released in all respects with retroactive effect to the time such Specified Subsidiary was first joined as a Subsidiary Guarantor (until such time, if any, as such Specified Subsidiary ceases to be an Excluded Subsidiary) upon receipt by the Administrative Agent of a certificate of a Responsible Officer of the Parent Borrower in form and substance satisfactory to the Administrative Agent regarding the basis for designating such subsidiary as a Specified Subsidiary; provided that, after giving pro forma effect to such release of such Specified Subsidiary's guarantee (and any repayment of Revolving Loans or pledge of additional Collateral that occurs contemporaneously therewith), the Parent Borrower shall be in compliance with Section 7.1(e).

(e) The Administrative Agent shall, at the request and sole expense of the Parent Borrower in connection with the release of any Collateral in accordance with this Section 10.14, promptly (i) deliver to the Parent Borrower any such Collateral in the Administrative Agent's possession and (ii) execute and deliver to the Parent Borrower such documents as the Parent Borrower shall reasonably request to evidence such release. The Administrative Agent shall, at the request and sole expense of the Parent Borrower following the release of a Subsidiary Guarantor or the REIT Entity from its obligations under the Loan Documents, as applicable, in accordance with this Section 10.14, execute and deliver to the Parent Borrower such documents as the Parent Borrower shall reasonably request to evidence such release.

10.15 Confidentiality. Each of the Administrative Agent and each Lender agrees to keep confidential all Information (as defined below); provided that nothing herein shall prevent the Administrative Agent or any Lender from disclosing any such Information (a) to the Administrative Agent, any other Lender or any affiliate thereof, or to any other party to this Agreement (b) subject to an agreement to comply with provisions substantially similar to the provisions of this Section, to any actual or prospective Transferee or any direct or indirect counterparty to any Swap Agreement (or any professional advisor to such counterparty), (c) to its employees, directors, agents, attorneys, accountants and other professional advisors or those of any of its affiliates, who, in each case, are informed of the confidential nature of such information and are or have been advised by the applicable Credit Party of their obligation to keep information of this type confidential, (d) upon the request or demand of any Governmental Authority (including any bank auditor, regulator or examiner) having jurisdiction over such Credit Party or its affiliates, (e) in response to any order of any court or other Governmental Authority or

as may otherwise be required pursuant to any Requirement of Law, with prompt advanced notice to the Parent Borrower of such disclosure, to the extent practicable and permitted by law, (f) if requested or required to do so in connection with any litigation or similar proceeding, with prompt advanced notice to the Parent Borrower of such disclosure, to the extent practicable and permitted by law, (g) that has been publicly disclosed (other than by reason of disclosure by the applicable Credit Party, its affiliates or any representatives in breach of this Section 10.15), (h) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender, (i) in connection with the exercise of any remedy hereunder or under any other Loan Document, or (j) if agreed by the Parent Borrower in its sole discretion, to any other Person. "Information" means all information received from the Parent Borrower relating to the Parent Borrower or its business, other than any such information that is available to the Administrative Agent, any Issuing Lender or any Lender on a non-confidential basis prior to disclosure by the Parent Borrower. In addition, the Administrative Agent, the Arrangers and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry (including league table providers) and service providers to the Administrative Agent, the Arrangers and the Lenders in connection with the administration of this Agreement, the other Loan Documents, the Loans and the Revolving Commitments.

Each Lender acknowledges that information furnished to it pursuant to this Agreement or the other Loan Documents may include material non-public information concerning the Borrowers and their respective Affiliates and their related parties or their respective securities, and confirms that it has developed compliance procedures regarding the use of material non-public information and that it will handle such material non-public information in accordance with those procedures and applicable law, including Federal and state securities laws.

All information, including requests for waivers and amendments, furnished by any Borrower or the Administrative Agent pursuant to, or in the course of administering, this Agreement or the other Loan Documents will be syndicate-level information, which may contain material non-public information about the Borrowers and their respective Affiliates and their related parties or their respective securities. Accordingly, each Lender represents to the Borrowers and the Administrative Agent that it has identified in its administrative questionnaire a credit contact who may receive information that may contain material non-public information in accordance with its compliance procedures and applicable law, including Federal and state securities laws.

10.16 WAIVERS OF JURY TRIAL**. THE BORROWERS, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.**

10.17 USA Patriot Act. Each Lender hereby notifies each Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), it is required to obtain, verify and record information that identifies each Borrower, which information includes the name and address of each Borrower and other information that will allow such Lender to identify each Borrower in accordance with the Patriot Act.

10.18 Investment Asset Reviews. The Administrative Agent, individually or at the request of the Required Lenders, may engage in its reasonable discretion, on behalf of the Lenders, an independent consultant (each, an "Independent Valuation Provider") to complete a review and verification of the accuracy and reliability of the Parent Borrower's calculation and reporting of the Adjusted Net

Book Value of any Investment Asset included in the calculation of the Maximum Permitted Outstanding Amount (each, an "Investment Asset Review") at any time, each such Investment Asset Review to be shared with the Lenders and the Parent Borrower. The Parent Borrower agrees to pay the Administrative Agent, not later than 10 Business Days after receipt of a reasonably detailed invoice therefor, the documented out-of-pocket cost of each such Investment Asset Review reasonably incurred by the Administrative Agent; provided that (i) the Parent Borrower shall not be required to reimburse such costs with respect to more than one Investment Asset Review per fiscal year with respect to each such Investment Asset and (ii) the Parent Borrower shall not be required to reimburse more than $300,000 of such costs per fiscal year; provided further that the limitations on reimbursement contained in the foregoing proviso shall not apply if an Event of Default has occurred and is continuing.

10.19 Secured Swap Agreements. Except as otherwise expressly set forth herein or in any Security Document, no Swap Bank that obtains the benefits of Section 10.14, any Guarantee Obligation or any Collateral by virtue of the provisions hereof or any Security Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this Section 10.19 to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Secured Swap Agreements unless the Administrative Agent has received written notice of such Obligations, together with such supporting documentation as the Administrative Agent may request from the applicable Swap Bank.

10.20 Acknowledgement and Consent to Bail-In of ~~EEA~~Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any ~~EEA~~Affected Financial Institution arising under any Loan Document may be subject to the write-down and conversion powers of ~~an EEA~~the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by ~~an EEA~~the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an ~~EEA~~Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such ~~EEA~~Affected Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of ~~any EEA~~the applicable Resolution Authority.

10.21 Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or

reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

10.22 Judgment Currency. This is an international loan transaction in which the specification of Dollars or any Foreign Currency, as the case may be (the "Specified Currency"), and payment in New York City or the country of the Specified Currency, as the case may be (the "Specified Place"), is of the essence, and the Specified Currency shall be the Currency of account in all events relating to Loans denominated in the Specified Currency. The payment obligations of the Borrowers under this Agreement shall not be discharged or satisfied by an amount paid in another Currency or in another place, whether pursuant to a judgment or otherwise, to the extent that the amount so paid on conversion to the Specified Currency and transfer to the Specified Place under normal banking procedures does not yield the amount of the Specified Currency at the Specified Place due hereunder. If for the purpose of obtaining judgment in any court it is necessary to convert a sum due hereunder in the Specified Currency into another currency (the "Second Currency"), the rate of exchange that shall be applied shall be the rate at which in accordance with normal banking procedures the Administrative Agent could purchase the Specified Currency with the Second Currency on the Business Day next preceding the day on which such judgment is rendered. The obligation of the Borrowers, severally and not jointly, in respect of any such sum due from the Borrowers to the Administrative Agent or any Lender hereunder or under any other Loan Document to which any Borrower is a party (in this Section called an "Entitled Person") shall, notwithstanding the rate of exchange actually applied in rendering such judgment, be discharged only to the extent that on the Business Day following receipt by such Entitled Person of any sum adjudged to be due from the applicable Borrower hereunder in the Second Currency such Entitled Person may in accordance with normal banking procedures purchase and transfer to the Specified Place the Specified Currency with the amount of the Second Currency so adjudged to be due; and the Borrowers hereby as a separate obligation and notwithstanding any such judgment, agree to indemnify such Entitled Person against, and to pay such Entitled Person on demand, in the Specified Currency, the amount (if any) by which the sum originally due from the applicable Borrower to such Entitled Person in the Specified Currency hereunder exceeds the amount of the Specified Currency so purchased and transferred.

10.23 Acknowledgment Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for hedging agreements or any other agreement or instrument that is a QFC (such support "QFC Credit Support" and each such QFC a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such

Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

[*Remainder of page intentionally left blank.*]

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent and as a Lender

By: _____
Name:
Title:

Bank of America, N.A., as a Lender,

By: _____
Name:
Title:

BARCLAYS BANK PLC, as a Lender,

By: _____
Name:
Title:

MORGAN STANLEY SENIOR FUNDING, INC., as a Lender,

By: _____
Name:
Title:

GOLDMAN SACHS BANK USA, as a Lender,

By: _____
Name:
Title:

Exhibit B

SCHEDULE 6.16(b)

Credit Facilities and Repurchase Facilities to be Amended

[See attached]

1. Second Amended and Restated Master Repurchase and Securities Contract Agreement, dated April 23, 2019, by and among MS Loan NT-I, LLC, MS Loan NT-II, LLC, CLNC Credit 1, LLC, CLNC Credit 2, LLC, CLNC Credit 1EU, LLC, CLNC Credit 1UK, LLC and Morgan Stanley Bank, N.A. and that certain Amended and Restated Guaranty Agreement, by Credit RE Operating Company, LLC, as guarantor, for the benefit of Morgan Stanley Bank, N.A.

2. Guaranty, dated October 23, 2018, by Credit RE Operating Company, LLC, as guarantor, for the benefit of Deutsche Bank AG, Cayman Islands Branch

3. Guaranty, dated April 26, 2018, by Credit RE Operating Company, LLC, as guarantor, for the benefit of Barclays Bank PLC

4. Guarantee, dated November 2, 2018, by Credit RE Operating Company, LLC, as guarantor, for the benefit of Wells Fargo Bank, National Association

5. Guaranty, dated June 19, 2018, by Credit RE Operating Company, LLC, as guarantor, for the benefit of Goldman Sachs Bank USA

6. Guaranty, dated April 23, 2018, by Credit RE Operating Company, LLC, as guarantor, for the benefit of Citibank, N.A.

Exhibit C

SCHEDULE 7.7(f)

Committed Investments

[See attached]

CLNC Unfunded Commitments Summary (As of 3/31/20) *($ in millions; at CLNC share)*

	Name	As of 3/31/20 Unfunded Gross Deal Commitments
1	Shippan Landing	$44.3
2	Century Plaza	32.2
3	Gideon	20.1
4	360 Wythe	15.0
5	1201 Connecticut Ave	14.9
6	Blanchard LIC	12.0
7	Paragon	11.3
8	Bank of America Tower	10.8
9	Turing at the Fields	9.9
10	The Herald	9.5
11	Parkway Plaza	8.3
12	Central Park Plaza	8.3
13	Burlingame Bay	8.2
14	Vista Canyon	8.2
15	Tasman East	8.1
16	Salt Lake City Office	8.0
17	Mi Casita	6.4
18	Park at Deer Valley	5.9
19	Claremont	4.5
20	450 Pacific Ave	3.3
21	Modern on the Rail	2.8
22	Hill Carlsbad	2.6
23	Grand Del Mar	2.5
24	1001 State Street	2.4
25	900 Kearny St	2.2
26	Pinewood Crossing	2.1
27	Standard Apartment Homes	2.0
28	2150 N First St	1.5
29	Township Term II	1.2
30	Solstice at Arcadia	1.1
31	Keystone Dadeland	0.8
	Total	**$270.6**

Exhibit 10.3

FIRST AMENDMENT TO GUARANTY

FIRST AMENDMENT TO GUARANTY, dated as of May 7, 2020 (this "Amendment"), by and between CREDIT RE OPERATING COMPANY, LLC, a Delaware limited liability company ("Guarantor"), 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 Repurchase Agreement (as hereinafter defined).

RECITALS

WHEREAS, NSREIT CB Loan, LLC, CB Loan NT-II, LLC, CLNC Credit 3, LLC, CLNC Credit 4, LLC, CLNC Credit 3EU, LLC, and CLNC Credit 3UK, LLC, each a Delaware limited liability company (collectively, "Seller") and Buyer are parties to that certain Amended and Restated Master Repurchase Agreement, dated as of April 26, 2019 (as amended, modified and/or restated, the "Repurchase Agreement"), between Seller and Buyer;

WHEREAS, Guarantor guaranteed the obligations of Seller under the Repurchase Agreement and the other Transaction Documents pursuant to that certain Guaranty, dated as of April 23, 2018 (as amended, modified and/or restated, the "Guaranty"), from Guarantor to Buyer; and

WHEREAS, Guarantor and Buyer wish to amend and modify the Guaranty upon the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor and Buyer hereby agree that the Guaranty shall be amended and modified as follows:

1. Amendment of Guaranty. Guarantor and Buyer hereby agree that the Guaranty shall be amended and modified with retroactive effect as follows:

(a) Article V(l) of the Guaranty is hereby deleted in its entirety and replaced with the following:

(l) Financial Covenants. Guarantor shall at all times, from and after January 1, 2020, 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:

(i) 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;

(ii) Minimum Consolidated Tangible Net Worth. Consolidated Tangible Net Worth at any time shall not be less than the sum of (i) $1,500,000,000.00, 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);

(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 1.40 to 1.00.

2. Amendment of Transaction Documents. From and after the date hereof, all references in the Repurchase Agreement and the other Transaction Documents to the Guaranty shall be deemed to refer to the Guaranty as amended and modified by this Amendment and as same may be further amended, modified and/or restated.

3. Reaffirmation of Representations and Warranties. Guarantor 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 its 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 (B)-(D) above, to the extent that such conflict or breach is reasonably likely to result in a Material Adverse Effect. Guarantor hereby represents and warrants to Buyer that all of the representations and warranties set forth in Article IV of the Guaranty remain true and correct as of the date hereof.

4. 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.

5. 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.

6. Expenses. Seller hereby acknowledges and agrees that Seller shall be responsible for all reasonable out-of-pocket costs and expenses of Buyer in connection with documenting and consummating the modifications contemplated by this Amendment, including, but not limited to, the reasonable fees and expenses of Buyer's external legal counsel.

7. Reaffirmation of Guaranty. Guarantor acknowledges and agrees that, except as modified hereby, the Guaranty remains unmodified and in full force and effect and enforceable in accordance with its terms.

8. Repurchase Agreement, Guaranty and Transaction Documents in Full Force and Effect. Except as expressly amended hereby, Seller and Guarantor acknowledge and agree that all of the terms, covenants and conditions of the Repurchase Agreement and the Transaction Documents remain unmodified and in full force and effect and are hereby ratified and confirmed in all respects.

[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.

GUARANTOR:

CREDIT RE OPERATING COMPANY, LLC

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

BUYER:

CITIBANK, N.A.

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

ACKNOWLEDGED AND AGREED
AS OF THE DATE FIRST SET FORTH ABOVE:

SELLER:

NSREIT CB LOAN, LLC,
a Delaware limited liability company

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

CB LOAN NT-II, LLC,
a Delaware limited liability company

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

CLNC CREDIT 3, LLC,
a Delaware limited liability company

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

CLNC CREDIT 4, LLC,
a Delaware limited liability company

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

CLNC CREDIT 3EU, LLC,
a Delaware limited liability company

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

CLNC CREDIT 3UK, LLC,
a Delaware limited liability company

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

Exhibit 10.4

AMENDMENT TO GUARANTY

AMENDMENT TO GUARANTY, dated as of May 7, 2020 (this "Amendment"), by and between CREDIT RE OPERATING COMPANY, LLC, a Delaware limited liability company ("Guarantor"), and BARCLAYS BANK PLC, a public limited company organized under the laws of England and Wales ("Purchaser"). Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Repurchase Agreement (as hereinafter defined).

RECITALS

WHEREAS, CLNC Credit 7, LLC, a Delaware limited liability company ("Seller") and Purchaser are parties to that certain Master Repurchase Agreement, dated as of April 26, 2018 (as amended, modified and/or restated, the "Repurchase Agreement"), between Seller and Purchaser;

WHEREAS, Guarantor guaranteed the obligations of Seller under the Repurchase Agreement and the other Transaction Documents pursuant to that certain Guaranty, dated as of April 26, 2018 (as amended, modified and/or restated, the "Guaranty"), from Guarantor to Purchaser; and

WHEREAS, Guarantor and Purchaser wish to amend and modify the Guaranty upon the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor and Purchaser hereby agree that the Guaranty shall be amended and modified as follows:

1. Amendment of Guaranty. Guarantor and Purchaser hereby agree that the Guaranty shall be amended and modified with retroactive effect as follows:

Article V(k)(ii) of the Guaranty is hereby deleted in its entirety and replaced with the following:

(ii) Minimum Consolidated Tangible Net Worth. Consolidated Tangible Net Worth at any time from and after January 1, 2020 shall not be less than the sum of (i) $1,500,000,000, 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 Colony Credit Real Estate, Inc. 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).

2. Amendment of Transaction Documents. From and after the date hereof, all references in the Repurchase Agreement and the other Transaction Documents to the Guaranty shall be deemed to refer to the Guaranty as amended and modified by this Amendment and as same may be further amended, modified and/or restated.

3. Reaffirmation of Representations and Warranties. Guarantor hereby represents and warrants to Purchaser that, as of the date hereof, (i) it has the power to execute, deliver and perform its 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 its 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 (B)-(D) above, to the extent that such conflict or breach is reasonably likely to result in a Material Adverse Effect. Guarantor hereby represents and warrants to Purchaser that all of the representations and warranties set forth in Article IV of the Guaranty are true and correct on and as of the date hereof with the same force and effect as if made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date).

4. 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.

5. GOVERNING LAW. THIS AMENDMENT (AND ANY CLAIM OR CONTROVERSY HEREUNDER) SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AND THE OBLIGATIONS, RIGHTS, AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS WITHOUT REGARD TO THE CONFLICT OF LAWS DOCTRINE APPLIED IN SUCH STATE (OTHER THAN SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

6. Expenses. Seller hereby acknowledges and agrees that Seller shall be responsible for all reasonable out-of-pocket costs and expenses of Purchaser in connection with documenting and consummating the modifications contemplated by this Amendment, including, but not limited to, the reasonable fees and expenses of Purchaser's external legal counsel.

7. Reaffirmation of Guaranty. Guarantor acknowledges and agrees that, except as modified hereby, the Guaranty remains unmodified and in full force and effect and enforceable in accordance with its terms.

8. Repurchase Agreement, Guaranty and Transaction Documents in Full Force and Effect. Except as expressly amended hereby, Seller and Guarantor acknowledge and agree that all of the terms, covenants and conditions of the Repurchase Agreement and the Transaction Documents remain unmodified and in full force and effect and are hereby ratified and confirmed in all respects.

[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.

GUARANTOR:

CREDIT RE OPERATING COMPANY, LLC,

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

PURCHASER:

BARCLAYS BANK PLC

By: /s/ Francis X. Gilhool
Name: Francis X. Gilhool
Title: MD

ACKNOWLEDGED AND AGREED
AS OF THE DATE FIRST SET FORTH ABOVE:

SELLER:

CLNC CREDIT 7, LLC,
a Delaware limited liability company

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

Exhibit 10.5

AMENDMENT TO GUARANTY

AMENDMENT TO GUARANTY, dated as of May 7, 2020 (this "Amendment"), by and between CREDIT RE OPERATING COMPANY, LLC, a Delaware limited liability company ("Guarantor"), and GOLDMAN SACHS BANK USA, a New York State member bank ("Purchaser"). Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Repurchase Agreement (as hereinafter defined).

RECITALS

WHEREAS, CLNC Credit 6, LLC, a Delaware limited liability company ("Seller") and Purchaser are parties to that certain Master Repurchase Agreement, dated as of June 19, 2018 (as amended, modified and/or restated, the "Repurchase Agreement"), between Seller and Purchaser;

WHEREAS, Guarantor guaranteed the obligations of Seller under the Repurchase Agreement and the other Transaction Documents pursuant to that certain Guaranty, dated as of June 19, 2018 (as amended, modified and/or restated, the "Guaranty"), from Guarantor to Purchaser; and

WHEREAS, Guarantor and Purchaser wish to amend and modify the Guaranty upon the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor and Purchaser hereby agree that the Guaranty shall be amended and modified as follows:

1. Amendment of Guaranty. Guarantor and Purchaser hereby agree that the Guaranty shall be amended and modified with retroactive effect as follows:

(a) Article V(k)(A) of the Guaranty is hereby deleted in its entirety and replaced with the following:

(A) Guarantor shall, at all times from and after January 1, 2020 until the Guaranteed Obligations (other than Repurchase Obligations (including contingent reimbursement obligations and indemnity obligations), which by their express terms survive termination of the Transaction Documents) have been paid in full, satisfy the following financial covenants, as determined quarterly on a consolidated basis in accordance with GAAP, consistently applied:

(i) 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;

(ii) Minimum Tangible Net Worth. Consolidated Tangible Net Worth at any time shall not be less than the sum of (i) $1,500,000,000, plus (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);

(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.

2. Amendment of Transaction Documents. From and after the date hereof, all references in the Repurchase Agreement and the other Transaction Documents to the Guaranty shall be deemed to refer to the Guaranty as amended and modified by this Amendment and as same may be further amended, modified and/or restated.

3. Reaffirmation of Representations and Warranties. Guarantor hereby represents and warrants to Purchaser that, as of the date hereof, (i) it is duly authorized to execute and deliver this Amendment and to perform its obligations under this Amendment, and has taken all necessary action to authorize such execution, delivery and performance, and each person signing this Amendment on its behalf is duly authorized to do so on its behalf, (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, (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 agreement by which it is bound or to which any of its assets are subject or constitute a default thereunder, or result thereunder in the creation or imposition of any lien upon any of its 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 (B)-(D) above, to the extent that such conflict or breach is reasonably likely to result in a Material Adverse Effect, (iv) no Default or Event of Default has occurred and is continuing, (v) except as disclosed in writing to Purchaser on or before the date hereof, Seller has no knowledge of any change, occurrence, or development exists that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect and (vi) no consent, approval or other action of, or filing by, it with any Governmental Authority or any other Person is required to authorize, or is otherwise required in connection with, the execution, delivery and performance of this Amendment (other than consents, approvals and filings required by it as a result of being a publicly traded company or that have been obtained or made, as applicable). Guarantor hereby represents and warrants to Purchaser that all of the representations and warranties set forth in Article IV of the Guaranty remain true and correct as of the date hereof.

4. 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.

5. GOVERNING LAW. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AND THE OBLIGATIONS, RIGHTS, AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS WITHOUT REGARD TO THE CONFLICT OF LAWS DOCTRINE APPLIED IN SUCH STATE (OTHER THAN SECTION 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

6. Expenses. Seller hereby acknowledges and agrees that Seller shall be responsible for and pay all reasonable out-of-pocket costs and expenses of Purchaser in connection with documenting and consummating the modifications contemplated by this Amendment, including, but not limited to, the reasonable fees and expenses of Purchaser's external legal counsel.

7. Reaffirmation of Guaranty. Guarantor acknowledges and agrees that, except as modified hereby, the Guaranty remains unmodified and in full force and effect and enforceable in accordance with its terms.

8. Repurchase Agreement, Guaranty and Transaction Documents in Full Force and Effect. Except as expressly amended hereby, Seller and Guarantor acknowledge and agree that all of the terms, covenants, conditions and obligations, contingent or otherwise, of the Repurchase Agreement, Guaranty and the other Transaction Documents remain unmodified and in full force and effect and are hereby ratified, affirmed and confirmed in all respects. Guarantor hereby agrees and acknowledges that the ratifications, affirmations, confirmations and acknowledgements in the prior sentence are not conditions to the continued effectiveness of the Guaranty. Guarantor agrees that neither such ratification, reaffirmation and confirmation, nor Purchaser's solicitation of such ratification, reaffirmation and confirmation, constitutes a course of dealing giving rise to any obligation or condition requiring a similar or any other ratification or reaffirmation from Guarantor with respect to any subsequent modifications to the Repurchase Agreement or any other Transaction Document.

9. Severability. Each provision of this Amendment shall be considered severable and if for any reason any provision of this Amendment is determined by a court of competent jurisdiction to be invalid, unenforceable or illegal and contrary to existing applicable law or future applicable law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those provisions of this Amendment that are valid. In that case, this Amendment shall be construed so as to limit any term or provision so as to make it enforceable or valid within the requirements of any applicable law, and in the event such term or provision cannot be so limited, this Amendment shall be construed to omit such invalid, unenforceable or illegal provisions.

[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.

GUARANTOR:

CREDIT RE OPERATING COMPANY, LLC

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

PURCHASER:

GOLDMAN SACHS BANK USA

By: /s/ Jeffrey Dawkins
Name: Jeffrey Dawkins
Title: Authorized Person

ACKNOWLEDGED AND AGREED
AS OF THE DATE FIRST SET FORTH ABOVE:

SELLER:

CLNC CREDIT 6, LLC,
a Delaware limited liability company

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

Exhibit 10.6

AMENDMENT TO GUARANTY

AMENDMENT TO GUARANTY, dated as of May 7, 2020 (this "Amendment"), by and between CREDIT RE OPERATING COMPANY, LLC, a Delaware limited liability company ("Guarantor"), and DEUTSCHE BANK AG, CAYMAN ISLANDS BRANCH, a branch of a foreign banking institution ("Buyer"). Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Repurchase Agreement (as hereinafter defined).

RECITALS

WHEREAS, DB Loan NT-II, LLC and CLNC Credit 5, LLC, each a Delaware limited liability company organized in series (collectively, "Master Seller") and Buyer are parties to that certain Master Repurchase Agreement, dated as of October 23, 2018 (as amended, modified and/or restated, the "Repurchase Agreement"), between Master Seller and Buyer;

WHEREAS, Guarantor guaranteed the obligations of Seller under the Repurchase Agreement and the other Transaction Documents pursuant to that certain Guaranty, dated as of October 23, 2018 (as amended, modified and/or restated, the "Guaranty"), from Guarantor to Buyer; and

WHEREAS, Guarantor and Buyer wish to amend and modify the Guaranty upon the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor and Buyer hereby agree that the Guaranty shall be amended and modified as follows:

1. Amendment of Guaranty. Guarantor and Buyer hereby agree that Section 5(a)(ii) of the Guaranty is hereby deleted in its entirety and replaced with the following with retroactive effect to January 1, 2020:

> "(ii) ***Minimum Tangible Net Worth***. Consolidated Tangible Net Worth at any time shall not be less than the sum of (i) $1,500,000,000 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 Parent 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);"

2. Amendment of Transaction Documents. From and after the date hereof, all references in the Repurchase Agreement and the other Transaction Documents to the Guaranty shall be deemed

to refer to the Guaranty as amended and modified by this Amendment and as same may be further amended, modified and/or restated.

3. Reaffirmation of Representations and Warranties. Guarantor hereby represents and warrants to Buyer that, as of the date hereof, (i) it has the power to execute, deliver and perform its 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 its 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 (B)-(D) above, to the extent that such conflict or breach is reasonably likely to result in a Material Adverse Effect. Guarantor hereby represents and warrants to Buyer that all of the representations and warranties set forth in Section 12 of the Guaranty remain true and correct as of the date hereof.

4. 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), any generally accepted electronic means (including via DocuSign) or by facsimile transmission shall be effective as delivery of a manually executed original counterpart thereof.

5. 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.

6. Expenses. Seller hereby acknowledges and agrees that Seller shall be responsible for all reasonable out-of-pocket costs and expenses of Buyer in connection with documenting and consummating the modifications contemplated by this Amendment, including, but not limited to, the reasonable fees and expenses of Buyer's external legal counsel.

7. Reaffirmation of Guaranty. Guarantor acknowledges and agrees that, except as modified hereby, the Guaranty remains unmodified and in full force and effect and enforceable in accordance with its terms.

8. Repurchase Agreement, Guaranty 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, and Guarantor acknowledge and agree that all of the terms, covenants and conditions of the Repurchase Agreement

and the Transaction Documents remain unmodified and in full force and effect and are hereby ratified and confirmed in all respects.

[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.

GUARANTOR:

CREDIT RE OPERATING COMPANY, LLC

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

BUYER:

DEUTSCHE BANK AG, CAYMAN ISLANDS BRANCH

By: /s/ Thomas Rugg
Name: Thomas Rugg
Title: Managing Director

By: /s/ Murray Mackinnon
Name: Murray Mackinnon
Title: Director

ACKNOWLEDGED AND AGREED
AS OF THE DATE FIRST SET FORTH ABOVE:

SELLER:

DB LOAN NT-II, LLC,
a Delaware limited liability company

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

CLNC CREDIT 5, LLC,
a Delaware limited liability company

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

Exhibit 10.7

AMENDMENT TO GUARANTEE AGREEMENT

AMENDMENT TO GUARANTEE AGREEMENT, dated as of May 7, 2020 (this "Amendment"), by and between CREDIT RE OPERATING COMPANY, LLC, a Delaware limited liability company ("Guarantor"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association ("Buyer"). Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Repurchase Agreement (as hereinafter defined).

RECITALS

WHEREAS, CLNC Credit 8, LLC, a Delaware limited liability company ("Seller") and Buyer are parties to that certain Master Repurchase and Securities Contract, dated as of November 2, 2018 (as amended, modified and/or restated, the "Repurchase Agreement"), between Seller and Buyer;

WHEREAS, Guarantor guaranteed the obligations of Seller under the Repurchase Agreement and the other Transaction Documents pursuant to that certain Guarantee Agreement, dated as of November 2, 2018 (as amended, modified and/or restated, the "Guarantee"), from Guarantor to Buyer; and

WHEREAS, Guarantor and Buyer wish to amend and modify the Guarantee upon the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor and Buyer hereby agree that the Guarantee shall be amended and modified as follows:

1. Amendment of Guarantee. Guarantor and Buyer hereby agree that the Guarantee shall be amended and modified with retroactive effect as of January 1, 2020 as follows:

(a) Section 1 of the Guarantee is hereby amended by inserting the following new definition in correct alphabetical order:

"First Guarantee Amendment": That certain Amendment to Guarantee Agreement, dated as of May 7, 2020, by and between Guarantor and Buyer.

(b) Section 9(b) of the Guarantee is hereby deleted in its entirety and replaced with the following:

(b) Minimum Tangible Net Worth. At all times during the period from the Closing Date through and including December 31, 2019, Guarantor shall comply with Section 9(b) of this Guarantee Agreement as in effect prior to the First Guarantee Amendment. Consolidated Tangible Net Worth of Guarantor at any time from and after January 1, 2020 shall not be less than the sum of (i) $1,500,000,000.00, 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 Sponsor 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).

2. Amendment of Transaction Documents. From and after the date hereof, all references in the Repurchase Agreement and the other Transaction Documents to the Guarantee shall be deemed to refer to the Guarantee as amended and modified by this Amendment and as same may be further amended, modified and/or restated.

3. Representations and Warranties. On and as of the date first above written, Guarantor hereby represents and warrants to Buyer that (a) after giving effect to this Amendment, it is in compliance with all the terms and provisions set forth in the Guarantee on its part to be observed or performed, (b) after giving effect to this Amendment, no Default or Event of Default under Repurchase Documents has occurred and is continuing, and (c) after giving effect to this Amendment, the representations and warranties contained in Section 8 of the Guarantee are true and correct in all respects as though made on such date (except for any such representation or warranty that by its terms refers to a specific date other than the date first above written, in which case it shall be true and correct in all respects as of such other date).

4. 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.

5. 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.

6. Expenses. Seller hereby acknowledges and agrees that Seller shall be responsible for all reasonable out-of-pocket costs and expenses of Buyer in connection with documenting and consummating the modifications contemplated by this Amendment, including, but not limited to, the reasonable fees and expenses of Buyer's external legal counsel.

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

the liens and security interests granted under the Repurchase Agreement continue in full force and effect.

8. Reaffirmation of Guarantee. Guarantor acknowledges and agrees that, except as modified hereby, the Guarantee remains unmodified and in full force and effect and enforceable in accordance with its terms.

9. Repurchase Agreement, Guarantee and Transaction Documents in Full Force and Effect. Except as expressly amended hereby, Seller and Guarantor acknowledge and agree that all of the terms, covenants and conditions of the Repurchase Agreement and the Transaction Documents remain unmodified and in full force and effect and are hereby ratified and confirmed in all respects.

[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.

GUARANTOR:

CREDIT RE OPERATING COMPANY, LLC

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

BUYER:

WELLS FARGO BANK, N.A.

By: /s/ Allen Lewis
Name: Allen Lewis
Title: Managing Director

ACKNOWLEDGED AND AGREED
AS OF THE DATE FIRST SET FORTH ABOVE:

SELLER:

CLNC CREDIT 8, LLC,
a Delaware limited liability company

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

Exhibit 10.8

THIRD OMNIBUS AMENDMENT

OMNIBUS AMENDMENT TO TRANSACTION DOCUMENTS, dated as of May 7, 2020 (this "Amendment"), by and between CREDIT RE OPERATING COMPANY, LLC, a Delaware limited liability company ("Guarantor"), and MORGAN STANLEY BANK, N.A., a national banking association ("Buyer"). Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Repurchase Agreement (as hereinafter defined).

RECITALS

WHEREAS, MS Loan NT-I, LLC, MS Loan NT-II, LLC, CLNC Credit 1, LLC, CLNC Credit 2, LLC, CLNC Credit 1UK, LLC, and CLNC Credit 1EU, LLC, each a Delaware limited liability company (collectively, "Seller") and Buyer are parties to that certain Second Amended and Restated Master Repurchase and Securities Contract Agreement, dated as of April 23, 2019 (as amended, modified and/or restated, the "Repurchase Agreement"), between Seller and Buyer;

WHEREAS, Guarantor guaranteed the obligations of Seller under the Repurchase Agreement and the other Transaction Documents pursuant to that certain Amended and Restated Guaranty Agreement, dated as of April 20, 2018 (as amended, modified and/or restated, the "Guaranty"), from Guarantor to Buyer; and

WHEREAS, Seller, Guarantor and Buyer wish to amend and modify the Repurchase Agreement and the Guaranty upon the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller, Guarantor and Buyer hereby agree that the Repurchase Agreement and the Guaranty shall be amended and modified as follows:

1. Amendment of Repurchase Agreement. Seller and Buyer hereby agree that the Repurchase Agreement shall be amended and modified with retroactive effect as follows:

a. The definition of "Financial Covenant Compliance Certificate" is hereby deleted in its entirety and replaced with the following:

"Financial Covenant Compliance Certificate" shall mean, with respect to any Person, an Officer's Certificate to be delivered, subject to Section 3(e)(iii) of this Agreement, within forty-five (45) days after the end of the first three (3) fiscal quarters and within ninety (90) days after the end of each fiscal year confirming that as of the fiscal quarter most recently ended, such Person shall have maintained:

(a) Minimum Liquidity. Liquidity at any time of not 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 Tangible Net Worth. Consolidated Tangible Net Worth at any time from and after January 1, 2020 of not less than the sum of (i) $1,500,000,000.00, plus (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 of not greater than 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 of not less than 1.4 to 1.

2. Amendment of Guaranty. Guarantor and Buyer hereby agree that the Guaranty shall be amended and modified with retroactive effect as follows:

(a) Section 4.7(a)(ii) of the Guaranty is hereby deleted in its entirety and replaced with the following:

(ii) Minimum Tangible Net Worth. Consolidated Tangible Net Worth at any time from and after January 1, 2020 shall not be less than the sum of (i) $1,500,000,000.00, plus (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);

3. Amendment of Transaction Documents. From and after the date hereof, all references in the Repurchase Agreement and the other Transaction Documents to the Repurchase Agreement and the Guaranty shall be deemed to refer to the Repurchase Agreement and the Guaranty as amended and modified by this Amendment and as same may be further amended, modified and/or restated.

4. Reaffirmation of Representations and Warranties. Guarantor and Seller each 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, (iii) Seller is not in default under the Repurchase Agreement or any of the other Transaction Documents beyond any applicable notice and cure periods, and there are no defenses, offsets or counterclaims against Seller's obligations under the Repurchase Agreement or the other Transaction Documents, (iv) Guarantor is not in default under the Guaranty beyond any applicable notice and cure periods, and there are no defenses, offsets or counterclaims against its obligations under the Guaranty, and (v) 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 its 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 (B)-(D) above, to the extent that such conflict or breach is reasonably likely to result in a Material Adverse Effect. Guarantor hereby represents and warrants to Buyer that all of the representations and warranties set forth in Article III of the Guaranty remain true and correct as of the date hereof.

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. Expenses. Seller hereby acknowledges and agrees that Seller shall be responsible for all reasonable out-of-pocket costs and expenses of Buyer in connection with documenting and consummating the modifications contemplated by this Amendment, including, but not limited to, the reasonable fees and expenses of Buyer's external legal counsel.

8. Reaffirmation of Guaranty. Guarantor acknowledges and agrees that, except as modified hereby, the Guaranty remains unmodified and in full force and effect and enforceable in accordance with its terms.

9. Repurchase Agreement, Guaranty and Transaction Documents in Full Force and Effect. Except as expressly amended hereby, Seller and Guarantor acknowledge and agree that all of the terms, covenants and conditions of the Repurchase Agreement and the Transaction Documents remain unmodified and in full force and effect and are hereby ratified and confirmed in all respects.

[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:

MORGAN STANLEY BANK, N.A.

By: /s/ Anthony Preisano
Name: Anthony Preisano
Title: Executive Director

[Signatures continue on the next 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.

GUARANTOR:

CREDIT RE OPERATING COMPANY, LLC,

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

ACKNOWLEDGED AND AGREED
AS OF THE DATE FIRST SET FORTH ABOVE:

SELLER:

MS LOAN NT-I, LLC,
a Delaware limited liability company

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

MS LOAN NT-II, LLC,
a Delaware limited liability company

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

CLNC CREDIT 1, LLC,
a Delaware limited liability company

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

CLNC CREDIT 2, LLC,
a Delaware limited liability company

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

CLNC CREDIT 1EU, LLC,
a Delaware limited liability company

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

CLNC CREDIT 1UK, LLC,
a Delaware limited liability company

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

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, Michael J. Mazzei, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Colony 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/ Michael J. Mazzei

Michael J. Mazzei

Chief Executive Officer and President

Date: May 8, 2020

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, Neale W. Redington, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Colony 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/ Neale W. Redington

Neale W. Redington

Chief Financial Officer and Treasurer

Date: May 8, 2020

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 Credit Real Estate, Inc. (the "Company") for the three months ended March 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael J. Mazzei, 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/ Michael J. Mazzei
Michael J. Mazzei
Chief Executive Officer and President
Date: May 8, 2020

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 Credit Real Estate, Inc. (the "Company") for the three months ended March 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Neale W. Redington, 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/ Neale W. Redington

Neale W. Redington

Chief Financial Officer and Treasurer

Date: May 8, 2020

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.