

**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 September 30, 2022

or

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

Commission file number: 001-37980

DigitalBridge Group, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Maryland
(State or Other Jurisdiction of
Incorporation or Organization)

46-4591526
(I.R.S. Employer
Identification No.)

750 Park of Commerce Drive, Suite 210
Boca Raton, Florida 33487
(Address of Principal Executive Offices, Including Zip Code)
(561) 570-4644
(Registrant's Telephone Number, Including Area Code)

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

Title of Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Class A Common Stock, \$0.04 par value	DBRG	New York Stock Exchange
Preferred Stock, 7.125% Series H Cumulative Redeemable, \$0.01 par value	DBRG.PRH	New York Stock Exchange
Preferred Stock, 7.15% Series I Cumulative Redeemable, \$0.01 par value	DBRG.PRI	New York Stock Exchange
Preferred Stock, 7.125% Series J Cumulative Redeemable, \$0.01 par value	DBRG.PRJ	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

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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.

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
		Emerging Growth Company	<input type="checkbox"/>

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 pursuant to Section 13(a) of the Exchange Act. Yes No

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

As of October 31, 2022, 159,728,816 shares of the Registrant's class A common stock and 166,494 shares of class B common stock were outstanding.

DigitalBridge Group, Inc.
Form 10-Q
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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

DigitalBridge Group, Inc.
Consolidated Balance Sheets
(In thousands, except per share data)

	September 30, 2022 (Unaudited)	December 31, 2021
Assets		
Cash and cash equivalents	\$ 636,366	\$ 1,602,102
Restricted cash	134,024	99,121
Real estate, net	6,141,415	4,972,284
Loans receivable (at fair value)	174,389	173,921
Equity and debt investments (\$206,758 and \$201,912 at fair value)	1,050,356	935,153
Goodwill	761,368	761,368
Deferred leasing costs and intangible assets, net	1,745,560	1,187,627
Assets held for disposition	72,593	3,676,615
Other assets (\$30,820 and \$944 at fair value)	964,647	740,395
Due from affiliates	60,111	49,230
Total assets	\$ 11,740,829	\$ 14,197,816
Liabilities		
Debt, net	\$ 5,325,615	\$ 4,860,402
Accrued and other liabilities (\$196,561 and \$37,970 at fair value)	1,662,606	928,042
Intangible liabilities, net	31,304	33,301
Liabilities related to assets held for disposition	60	3,088,699
Dividends and distributions payable	16,527	15,759
Total liabilities	7,036,112	8,926,203
Commitments and contingencies (Note 20)		
Redeemable noncontrolling interests	96,028	359,223
Equity		
Stockholders' equity:		
Preferred stock, \$0.01 par value per share; \$827,779 and \$883,500 liquidation preference; 250,000 shares authorized; 33,111 and 35,340 shares issued and outstanding	800,355	854,232
Common stock, \$0.04 par value per share		
Class A, 949,000 shares authorized; 162,975 and 142,144 shares issued and outstanding	6,519	5,685
Class B, 1,000 shares authorized; 166 shares issued and outstanding	7	7
Additional paid-in capital	7,793,492	7,820,807
Accumulated deficit	(6,941,658)	(6,576,180)
Accumulated other comprehensive income	(4,056)	42,383
Total stockholders' equity	1,654,659	2,146,934
Noncontrolling interests in investment entities	2,890,162	2,653,173
Noncontrolling interests in Operating Company	63,868	112,283
Total equity	4,608,689	4,912,390
Total liabilities, redeemable noncontrolling interests and equity	\$ 11,740,829	\$ 14,197,816

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

DigitalBridge Group, Inc.
Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues				
Property operating income	\$ 244,336	\$ 194,854	\$ 681,098	\$ 572,841
Interest income	8,725	3,086	22,390	5,259
Fee income (\$40,350, \$49,934, \$125,757 and \$120,332 from affiliates)	41,263	50,226	128,418	124,826
Other income (\$995, \$3,124, \$5,693 and \$4,551 from affiliates)	2,299	4,008	11,585	7,016
Total revenues	<u>296,623</u>	<u>252,174</u>	<u>843,491</u>	<u>709,942</u>
Expenses				
Property operating expense	105,987	80,226	287,280	237,228
Interest expense	53,032	39,895	143,450	117,613
Investment expense	9,510	7,263	26,262	20,027
Transaction-related costs	3,879	936	6,800	2,618
Depreciation and amortization	145,594	129,186	429,513	406,840
Compensation expense—cash and equity-based	65,544	55,933	183,878	182,918
Compensation expense—incentive fee and carried interest	80,831	31,736	109,548	39,969
Administrative expenses	29,909	28,933	84,147	75,234
Total expenses	<u>494,286</u>	<u>374,108</u>	<u>1,270,878</u>	<u>1,082,447</u>
Other income (loss)				
Other gain (loss), net	25,908	4,657	(170,229)	(31,734)
Equity method earnings (losses)	(52,382)	6,987	(5,748)	42,051
Equity method earnings—carried interest	121,698	58,382	201,398	69,329
Loss from continuing operations before income taxes	<u>(102,439)</u>	<u>(51,908)</u>	<u>(401,966)</u>	<u>(292,859)</u>
Income tax benefit	7,841	10,973	17,772	109,408
Loss from continuing operations	<u>(94,598)</u>	<u>(40,935)</u>	<u>(384,194)</u>	<u>(183,451)</u>
Loss from discontinued operations	(26,389)	(10,429)	(148,558)	(590,595)
Net loss	<u>(120,987)</u>	<u>(51,364)</u>	<u>(532,752)</u>	<u>(774,046)</u>
Net income (loss) attributable to noncontrolling interests:				
Redeemable noncontrolling interests	(6,442)	7,269	(31,989)	15,743
Investment entities	(60,623)	(124,301)	(152,770)	(443,547)
Operating Company	(4,834)	4,311	(30,786)	(38,565)
Net income (loss) attributable to DigitalBridge Group, Inc.	<u>(49,088)</u>	<u>61,357</u>	<u>(317,207)</u>	<u>(307,677)</u>
Preferred stock repurchases/redemptions (Note 9)	(1,098)	2,865	(1,098)	2,865
Preferred stock dividends	15,283	17,456	46,801	54,488
Net income (loss) attributable to common stockholders	<u>\$ (63,273)</u>	<u>\$ 41,036</u>	<u>\$ (362,910)</u>	<u>\$ (365,030)</u>
Income (loss) per share—basic				
Loss from continuing operations per common share—basic	<u>\$ (0.30)</u>	<u>\$ (0.23)</u>	<u>\$ (1.57)</u>	<u>\$ (1.20)</u>
Net income (loss) attributable to common stockholders per common share—basic	<u>\$ (0.39)</u>	<u>\$ 0.33</u>	<u>\$ (2.37)</u>	<u>\$ (3.04)</u>
Income (loss) per share—diluted				
Loss from continuing operations per common share—diluted	<u>\$ (0.30)</u>	<u>\$ (0.23)</u>	<u>\$ (1.57)</u>	<u>\$ (1.20)</u>
Net income (loss) attributable to common stockholders per common share—diluted	<u>\$ (0.39)</u>	<u>\$ 0.33</u>	<u>\$ (2.37)</u>	<u>\$ (3.04)</u>
Weighted average number of shares				
Basic	<u>162,398</u>	<u>121,458</u>	<u>153,028</u>	<u>120,041</u>
Diluted	<u>162,398</u>	<u>121,458</u>	<u>153,028</u>	<u>120,041</u>
Dividends declared per common share	<u>\$ 0.01</u>	<u>\$ —</u>	<u>\$ 0.01</u>	<u>\$ —</u>

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

DigitalBridge Group, Inc.
Consolidated Statements of Comprehensive Income (Loss)
(In thousands)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net loss	\$ (120,987)	\$ (51,364)	\$ (532,752)	\$ (774,046)
Changes in accumulated other comprehensive income (loss) related to:				
Equity method investments	(1,647)	(4,391)	(4,333)	(6,578)
Available-for-sale debt securities	—	1,615	(6,373)	(331)
Cash flow hedges	—	—	—	1,285
Foreign currency translation	(34,809)	(35,739)	(97,090)	(112,542)
Net investment hedges	10,932	—	17,916	(84)
Other comprehensive loss	(25,524)	(38,515)	(89,880)	(118,250)
Comprehensive loss	(146,511)	(89,879)	(622,632)	(892,296)
Comprehensive income (loss) attributable to noncontrolling interests:				
Redeemable noncontrolling interests	(6,442)	7,269	(31,989)	15,743
Investment entities	(80,210)	(144,222)	(192,140)	(500,702)
Operating Company	(5,259)	2,539	(34,733)	(44,395)
Comprehensive income (loss) attributable to stockholders	\$ (54,600)	\$ 44,535	\$ (363,770)	\$ (362,942)

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

DigitalBridge Group, Inc.
Consolidated Statements of Equity
(In thousands, except per share data)
(Unaudited)

	Preferred Stock	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity	Noncontrolling Interests in Investment Entities	Noncontrolling Interests in Operating Company	Total Equity
Balance at December 31, 2020	\$ 999,490	\$ 4,841	\$ 7,570,473	\$ (6,195,456)	\$ 122,123	\$ 2,501,471	\$ 4,327,372	\$ 155,747	\$ 6,984,590
Net loss	—	—	—	(246,290)	—	(246,290)	(355,862)	(27,896)	(630,048)
Other comprehensive loss	—	—	—	—	(21,143)	(21,143)	(36,656)	(2,433)	(60,232)
Deconsolidation of investment entities (Note 21)	—	—	—	—	—	—	(22,413)	—	(22,413)
Redemption of OP Units for class A common stock	—	—	16	—	—	16	—	(16)	—
Equity awards issued, net of forfeitures	—	48	16,536	—	—	16,584	308	1,308	18,200
Shares canceled for tax withholdings on vested equity awards	—	(11)	(7,707)	—	—	(7,718)	—	—	(7,718)
Contributions from noncontrolling interests	—	—	—	—	—	—	113,213	—	113,213
Distributions to noncontrolling interests	—	—	—	—	—	—	(26,739)	—	(26,739)
Preferred stock dividends	—	—	—	(18,516)	—	(18,516)	—	—	(18,516)
Reallocation of equity (Notes 2 and 10)	—	—	(2,445)	—	76	(2,369)	4,682	(2,313)	—
Balance at March 31, 2021	<u>999,490</u>	<u>4,878</u>	<u>7,576,873</u>	<u>(6,460,262)</u>	<u>101,056</u>	<u>2,222,035</u>	<u>4,003,905</u>	<u>124,397</u>	<u>6,350,337</u>
Net loss	—	—	—	(122,744)	—	(122,744)	36,616	(14,980)	(101,108)
Other comprehensive income (loss)	—	—	—	—	(15,818)	(15,818)	7,805	(1,625)	(9,638)
Shares issued pursuant to settlement liability	—	60	46,982	—	—	47,042	—	—	47,042
Deconsolidation of investment entities (Note 21)	—	—	2,028	—	(1,482)	546	(202,887)	—	(202,341)
Redemption of OP Units for class A common stock	—	—	1	—	—	1	—	(1)	—
Equity awards issued, net of forfeitures	—	2	10,194	—	—	10,196	308	1,067	11,571
Shares canceled for tax withholdings on vested equity awards	—	(13)	(9,166)	—	—	(9,179)	—	—	(9,179)
Contributions from noncontrolling interests	—	—	—	—	—	—	24,540	—	24,540
Distributions to noncontrolling interests	—	—	—	—	—	—	(33,678)	—	(33,678)
Preferred stock dividends	—	—	—	(18,516)	—	(18,516)	—	—	(18,516)
Reallocation of equity (Notes 2 and 10)	—	—	(4,530)	—	(81)	(4,611)	—	4,611	—
Balance at June 30, 2021	<u>\$ 999,490</u>	<u>\$ 4,927</u>	<u>\$ 7,622,382</u>	<u>\$ (6,601,522)</u>	<u>\$ 83,675</u>	<u>\$ 2,108,952</u>	<u>\$ 3,836,609</u>	<u>\$ 113,469</u>	<u>\$ 6,059,030</u>

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

DigitalBridge Group, Inc.
Consolidated Statements of Equity (Continued)
(In thousands, except per share data)
(Unaudited)

	Preferred Stock	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Stockholders' Equity	Noncontrolling Interests in Investment Entities	Noncontrolling Interests in Operating Company	Total Equity
Balance at June 30, 2021	\$ 999,490	\$ 4,927	\$ 7,622,382	\$(6,601,522)	\$ 83,675	\$ 2,108,952	\$ 3,836,609	\$ 113,469	\$ 6,059,030
Net income (loss)	—	—	—	61,357	—	61,357	(124,301)	4,311	(58,633)
Other comprehensive loss	—	—	—	—	(16,822)	(16,822)	(19,921)	(1,772)	(38,515)
Redemption of preferred stock (Note 9)	(83,385)	—	(2,865)	—	—	(86,250)	—	—	(86,250)
Deconsolidation of investment entities (Note 21)	—	—	—	—	—	—	(149,515)	—	(149,515)
Redemption of OP Units for class A common stock	—	5	1,085	—	—	1,090	—	(1,090)	—
Equity awards issued, net of forfeitures	—	12	7,351	—	—	7,363	308	903	8,574
Shares canceled for tax withholdings on vested stock awards	—	(3)	(1,670)	—	—	(1,673)	—	—	(1,673)
Contributions from noncontrolling interests	—	—	—	—	—	—	24,292	—	24,292
Distributions to noncontrolling interests	—	—	—	—	—	—	(51,584)	—	(51,584)
Preferred stock dividends	—	—	—	(17,456)	—	(17,456)	—	—	(17,456)
Reallocation of equity (Notes 2 and 10)	—	—	(731)	—	27	(704)	—	704	—
Balance at September 30, 2021	<u>\$ 916,105</u>	<u>\$ 4,941</u>	<u>\$ 7,625,552</u>	<u>\$(6,557,621)</u>	<u>\$ 66,880</u>	<u>\$ 2,055,857</u>	<u>\$ 3,515,888</u>	<u>\$ 116,525</u>	<u>\$ 5,688,270</u>

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

DigitalBridge Group, Inc.
Consolidated Statements of Equity (Continued)
(In thousands, except per share data)
(Unaudited)

	Preferred Stock	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity	Noncontrolling Interests in Investment Entities	Noncontrolling Interests in Operating Company	Total Equity
Balance at December 31, 2021	\$ 854,232	\$ 5,692	\$ 7,820,807	\$(6,576,180)	\$ 42,383	\$ 2,146,934	\$ 2,653,173	\$ 112,283	\$ 4,912,390
Net loss	—	—	—	(246,557)	—	(246,557)	(63,045)	(22,862)	(332,464)
Other comprehensive loss	—	—	—	—	(29,705)	(29,705)	(12,011)	(2,596)	(44,312)
Exchange of notes for common stock (Note 8)	—	256	177,562	—	—	177,818	—	—	177,818
Adjustment of redeemable noncontrolling interest to fair value (Note 10)	—	—	(690,000)	—	—	(690,000)	—	—	(690,000)
Deconsolidation of investment entities (Note 21)	—	—	—	—	—	—	(176,856)	—	(176,856)
Redemption of OP Units for class A common stock	—	—	2	—	—	2	—	(2)	—
Equity awards issued, net of forfeitures	—	50	14,286	—	—	14,336	2,734	1,555	18,625
Shares canceled for tax withholdings on vested equity awards	—	(17)	(11,393)	—	—	(11,410)	—	—	(11,410)
Acquisition of noncontrolling interest (Note 10)	—	—	—	—	—	—	(32,076)	—	(32,076)
Contributions from noncontrolling interests	—	—	—	—	—	—	343,006	—	343,006
Distributions to noncontrolling interests	—	—	—	—	—	—	(26,018)	—	(26,018)
Preferred stock dividends	—	—	—	(15,760)	—	(15,760)	—	—	(15,760)
Reallocation of equity (Notes 2 and 10)	—	—	45,099	—	75	45,174	—	(45,174)	—
Balance at March 31, 2022	854,232	5,981	7,356,363	(6,838,497)	12,753	1,390,832	2,688,907	43,204	4,122,943
Net loss	—	—	—	(21,562)	—	(21,562)	(29,102)	(3,090)	(53,754)
Other comprehensive loss	—	—	—	—	(11,346)	(11,346)	(7,772)	(926)	(20,044)
Adjustment of redeemable noncontrolling interest and warrants to fair value (Note 10)	—	—	(35,026)	—	—	(35,026)	—	—	(35,026)
Shares issued for redemption of redeemable noncontrolling interest (Note 10)	—	577	348,182	—	—	348,759	—	—	348,759
Transaction costs incurred in connection with redemption of redeemable noncontrolling interest	—	—	(7,137)	—	—	(7,137)	—	—	(7,137)
Reclassification of carried interest allocated to redeemable noncontrolling interest to noncontrolling interests in investment entities (Note 10)	—	—	—	—	—	—	4,087	—	4,087
Deconsolidation of investment entities (Note 21)	—	—	—	—	—	—	11,047	—	11,047
Redemption of OP Units for class A common stock	—	4	335	—	—	339	—	(339)	—
Equity awards issued, net of forfeitures	—	9	7,508	—	—	7,517	1,061	591	9,169
Shares canceled for tax withholdings on vested equity awards	—	(7)	(5,060)	—	—	(5,067)	—	—	(5,067)
Contributions from noncontrolling interests	—	—	—	—	—	—	215,790	—	215,790
Distributions to noncontrolling interests	—	—	—	—	—	—	(13,490)	—	(13,490)
Preferred stock dividends	—	—	—	(15,758)	—	(15,758)	—	—	(15,758)
Reallocation of equity (Notes 2 and 10)	—	—	(18,313)	—	48	(18,265)	—	18,265	—
Balance at June 30, 2022	\$ 854,232	\$ 6,564	\$ 7,646,852	\$(6,875,817)	\$ 1,455	\$ 1,633,286	\$ 2,870,528	\$ 57,705	\$ 4,561,519

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

DigitalBridge Group, Inc.
Consolidated Statements of Equity (Continued)
(In thousands, except per share data)
(Unaudited)

	Preferred Stock	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity	Noncontrolling Interests in Investment Entities	Noncontrolling Interests in Operating Company	Total Equity
Balance at June 30, 2022	\$ 854,232	\$ 6,564	\$7,646,852	\$(6,875,817)	\$ 1,455	\$ 1,633,286	\$ 2,870,528	\$ 57,705	\$4,561,519
Net loss	—	—	—	(49,088)	—	(49,088)	(60,623)	(4,834)	(114,545)
Other comprehensive loss	—	—	—	—	(5,512)	(5,512)	(19,587)	(425)	(25,524)
Stock repurchases	(53,877)	(38)	(12,476)	—	—	(66,391)	—	—	(66,391)
DataBank recapitalization (Note 10)	—	—	170,770	—	—	170,770	(170,770)	—	—
Equity-based compensation	—	2	9,867	—	—	9,869	8,861	311	19,041
Shares canceled for tax withholdings on vested stock awards	—	(2)	(1,533)	—	—	(1,535)	—	—	(1,535)
Cost of DataBank recapitalization	—	—	(8,749)	—	—	(8,749)	(21,247)	—	(29,996)
Contributions from noncontrolling interests	—	—	—	—	—	—	1,502,454	—	1,502,454
Distributions to noncontrolling interests	—	—	—	—	—	—	(1,219,454)	(127)	(1,219,581)
Preferred stock dividends	—	—	—	(15,117)	—	(15,117)	—	—	(15,117)
Common stock dividend declared (\$0.01 per share)	—	—	—	(1,636)	—	(1,636)	—	—	(1,636)
Reallocation of equity (Notes 2 and 10)	—	—	(11,239)	—	1	(11,238)	—	11,238	—
Balance at September 30, 2022	<u>\$ 800,355</u>	<u>\$ 6,526</u>	<u>\$7,793,492</u>	<u>\$(6,941,658)</u>	<u>\$ (4,056)</u>	<u>\$ 1,654,659</u>	<u>\$ 2,890,162</u>	<u>\$ 63,868</u>	<u>\$4,608,689</u>

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

DigitalBridge Group, Inc.
Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2022	2021
Cash Flows from Operating Activities		
Net loss	\$ (532,752)	\$ (774,046)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Paid-in-kind interest added to loan principal, net of interest received	(4,887)	8,492
Straight-line rent income	(18,417)	4,854
Amortization of above- and below-market lease values, net	(58)	5,151
Amortization of deferred financing costs and debt discount and premium, net	102,943	56,494
Equity method (earnings) losses	(198,325)	78,444
Distributions of income from equity method investments	97,003	3,072
Allowance for doubtful accounts	—	3,640
Impairment of real estate and related intangibles and right-of-use asset	35,985	359,996
Depreciation and amortization	431,852	498,513
Equity-based compensation	47,119	40,001
Gain on sales of real estate, net	—	(49,232)
Deferred income tax benefit	(14,794)	(99,268)
Loss on extinguishment of exchangeable notes	133,173	—
Other loss, net	29,287	102,908
(Increase) decrease in other assets and due from affiliates	9,579	(92,223)
Increase (decrease) in accrued and other liabilities and due to affiliates	77,559	39,511
Other adjustments, net	(494)	(4,895)
Net cash provided by operating activities	194,773	181,412
Cash Flows from Investing Activities		
Contributions to and acquisition of equity investments	(445,039)	(411,593)
Return of capital from equity method investments	58,560	41,779
Acquisition of loans receivable and debt securities	(164,815)	(68,453)
Net disbursements on originated loans	(215,918)	(33,272)
Repayments of loans receivable	23,956	492,022
Proceeds from sales of loans receivable and debt securities, including transfers of warehoused loans	360,773	—
Acquisition of and additions to real estate, related intangibles and leasing commissions	(1,901,931)	(608,155)
Proceeds from sales of real estate	96,660	363,436
Cash and restricted cash assumed by buyer in sales of real estate investment holding entities	(189,453)	(35,098)
Proceeds from paydown and maturity of debt securities	566	544
Proceeds from sale of equity investments	483,833	313,595
Investment deposits	(49,736)	(343)
Proceeds from sale of corporate fixed assets	—	14,946
Net receipts on settlement of derivatives	13,952	17,123
Other investing activities, net	(769)	(833)
Net cash (used in) provided by investing activities	(1,929,361)	85,698

DigitalBridge Group, Inc.
Consolidated Statements of Cash Flows (Continued)
(In thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2022	2021
Cash Flows from Financing Activities		
Dividends paid to preferred stockholders	\$ (47,629)	\$ (56,105)
Repurchases of common stock	(8,008)	—
Repayment or repurchase of senior notes	(14,237)	(31,502)
Borrowings from corporate credit facility and securitized financing facility	—	345,000
Repayment of borrowings from corporate credit facility and securitized financing facility	—	(45,000)
Borrowings from secured debt	1,014,582	1,150,909
Repayment of secured debt	(469,510)	(1,103,172)
Payment of deferred financing costs	(18,707)	(30,358)
Contributions from noncontrolling interests	2,072,900	203,059
Distributions to and redemptions of noncontrolling interests	(1,684,752)	(129,790)
Redemptions/repurchases of preferred stock	(52,779)	(86,250)
Shares canceled for tax withholdings on vested equity awards	(18,012)	(18,570)
Acquisition of noncontrolling interest	(32,076)	—
Net cash provided by financing activities	741,772	198,221
Effect of exchange rates on cash, cash equivalents and restricted cash	(3,039)	590
Net (decrease) increase in cash, cash equivalents and restricted cash	(995,855)	465,921
Cash, cash equivalents and restricted cash, beginning of period	1,766,245	963,008
Cash, cash equivalents and restricted cash, end of period	\$ 770,390	\$ 1,428,929

Reconciliation of cash, cash equivalents and restricted cash to consolidated balance sheets

	Nine Months Ended September 30,	
	2022	2021
Beginning of the period		
Cash and cash equivalents	\$ 1,602,102	\$ 703,544
Restricted cash	99,121	67,772
Restricted cash included in assets held for disposition	65,022	191,692
Total cash, cash equivalents and restricted cash, beginning of period	\$ 1,766,245	\$ 963,008
End of the period		
Cash and cash equivalents	\$ 636,366	\$ 1,277,733
Restricted cash	134,024	87,551
Restricted cash included in assets held for disposition	—	63,645
Total cash, cash equivalents and restricted cash, end of period	\$ 770,390	\$ 1,428,929

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

DigitalBridge Group, Inc.
Notes to Consolidated Financial Statements
September 30, 2022
(Unaudited)

1. Business and Organization

DigitalBridge Group, Inc. or DBRG (together with its consolidated subsidiaries, the "Company") is a leading global-scale digital infrastructure firm. The Company invests, directly and through its portfolio companies, across the digital ecosystem, including data centers, cell towers, fiber networks, small cells, and edge infrastructure, and manages digital infrastructure assets on behalf of its limited partners and shareholders.

Organization

The Company conducts all of its activities and holds substantially all of its assets and liabilities through its operating subsidiary, DigitalBridge Operating Company, LLC (the "Operating Company" or the "OP"). At September 30, 2022, the Company owned 93% of the OP, as its sole managing member. The remaining 7% is owned primarily by certain current and former employees of the Company as noncontrolling interests.

Transition to C-Corporation

Prior to January 1, 2022, the Company elected to be taxed as a real estate investment trust ("REIT") for U.S. federal income tax purposes, which generally provided that the Company was not subject to U.S. federal and state income taxes on its taxable income to the extent that it annually distributed such income to stockholders. The income earned through the Company's underlying taxable REIT subsidiaries ("TRS"), primarily the investment management earnings, however, was subject to U.S. federal and state income tax.

In the first quarter of 2022, the Company completed the disposition of substantially all of its non-digital assets, as described below, and in connection with its digital transformation, has recorded significant growth in its Digital Investment Management ("Digital IM") business.

Due to the pace of growth of the Company's Digital IM business and other strategic transactions that the Company may pursue, the Company's Board of Directors and management agreed to discontinue actions necessary to maintain qualification as a REIT for 2022. Commencing with the taxable year ending December 31, 2022, all of the Company's taxable income, except for income generated by subsidiaries that have elected or anticipate electing REIT status, is subject to U.S. federal and state income tax at the applicable corporate tax rate. Any dividends paid to stockholders will no longer be tax deductible. The Company is also no longer subject to the REIT requirement for distributions to stockholders when the Company has taxable income.

The Company anticipates that operating as a C-Corporation will provide the Company with flexibility to execute various strategic initiatives without the constraints of complying with REIT requirements. This includes the intended deployment of capital to redeem third party interest in the Company's Digital IM business, retaining and reinvesting earnings in other new initiatives in the Digital IM business, and warehousing digital infrastructure investments in the future that may be non-REIT qualified assets.

The Company's transition to a C-Corporation is not expected to result in significant incremental current income tax expense in the near term due to the availability of significant capital loss and net operating loss ("NOL") carryforwards. See Note 7 for additional information.

Digital Transformation

In February 2022, the Company completed its digital transformation that commenced in the second quarter of 2020. The Company's completed disposition of its hotel business (March 2021), Other Equity and Debt ("OED") investments and non-digital investment management ("Other IM") business (December 2021), and its Wellness Infrastructure business (February 2022) each represented a strategic shift in the Company's business that had a significant effect on the Company's operations and financial results, and accordingly, had met the criteria as discontinued operations. For all current and prior periods presented, the related assets and liabilities, to the extent they have not been disposed at the respective balance sheet dates, are presented as assets and liabilities held for disposition on the consolidated balance sheets (Note 11) and the related operating results are presented as discontinued operations on the consolidated statements of operations (Note 12).

Reverse Stock Split

In August 2022, the Company effectuated a one-for-four reverse stock split of its outstanding shares of class A and class B common stock. The number of authorized shares of common stock was not adjusted in connection with the reverse stock split, however, the Company intends to seek stockholder approval to make a proportional change to the number of authorized shares of class A and class B common stock at its next annual meeting of stockholders. Par value of common stock was proportionately increased from \$0.01 to \$0.04 per share. Throughout this Quarterly Report on Form 10-Q, common stock share and per share information, including OP units and stock award units, as well as the Company's senior note conversion or exchange ratio in common stock shares have been revised for all periods presented to give effect to the reverse stock split.

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 ("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, 2022, or 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 year ended December 31, 2021.

The accompanying consolidated financial statements include the accounts of the Company and its controlled subsidiaries. All significant intercompany accounts and transactions have been eliminated. The portions of 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. A substantial portion of noncontrolling interests represents interests held by private investment funds or other investment vehicles managed by the Company and which invest alongside the Company and membership interests in OP primarily held by certain employees of the Company.

To the extent the Company consolidates a subsidiary that is subject to industry-specific guidance, the Company retains the industry-specific guidance applied by that subsidiary in its consolidated financial statements.

Use of Estimates

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

Principles of Consolidation

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—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; and/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. This assessment may involve subjectivity in the determination of which activities most significantly affect the VIE's performance, and estimates about current and future fair value of the assets held by the VIE and financial performance of the VIE. In assessing its interests in the VIE, the Company also considers interests held by its related parties, including de facto agents. Additionally, 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 characteristics and size 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, and depends upon facts and circumstances specific to an entity at the time of the assessment.

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 interests in the entity are recorded at fair value upon initial consolidation. Any existing equity interest held by the Company in the entity prior to the Company obtaining control will be remeasured at fair value, which may result in a gain or loss recognized upon initial consolidation. However, if the consolidation represents an asset acquisition of a voting interest entity, the Company's existing interest in the acquired assets, if any, is not remeasured to fair value but continues to be carried at historical cost. The Company may also deconsolidate a subsidiary as a result of this reassessment, which may result in a gain or loss recognized upon deconsolidation depending on the carrying values of deconsolidated assets and liabilities compared to the fair value of any interests retained.

Noncontrolling Interests

Redeemable Noncontrolling Interests—This represents noncontrolling interests in the Company's digital investment management business and in consolidated open-end funds sponsored by the Company. The noncontrolling interests either have redemption rights that will be triggered upon the occurrence of certain events (Note 10) or have the ability to withdraw all or a portion of their interests from the consolidated open-end funds in cash with advance notice.

Redeemable noncontrolling interests is presented outside of permanent equity. Allocation of net income or loss to redeemable noncontrolling interests is based upon their ownership percentage during the period. The carrying amount of redeemable noncontrolling interests is adjusted to its redemption value at the end of each reporting period to an amount not less than its initial carrying value, except for amounts contingently redeemable which will be adjusted to redemption value only when redemption is probable. Such adjustments will be recognized in additional paid-in capital.

Noncontrolling Interests in Investment Entities—This represents predominantly interests in consolidated investment entities held by co-investors through investment vehicles managed by the Company or held by third party joint venture partners. 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 Operating Company—This represents membership interests in OP held primarily by certain employees of the Company. Noncontrolling interests in OP are allocated a share of net income or loss in OP based on their weighted average ownership interest in OP during the period. Noncontrolling interests in OP have the right to require OP to redeem part or all of such member's membership units in OP ("OP Units") 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 OP, through issuance of shares of class A common stock (registered or unregistered) on a one-for-one basis. At the end of each reporting period, noncontrolling interests in OP is adjusted to reflect their ownership percentage in OP at the end of the period, through a reallocation between controlling and noncontrolling interests in OP, as applicable.

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 to perform 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 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 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.

Contingent Consideration—Contingent consideration is classified as a liability or equity, as applicable. Contingent consideration in connection with the acquisition of a business or a VIE is measured at fair value on acquisition date, and unless classified as equity, is remeasured at fair value each reporting period thereafter until the consideration is settled, with changes in fair value included in net income. Contingent consideration in connection with the acquisition of assets (and that is not a VIE) is generally recognized when the liability is considered both probable and reasonably estimable, as part of the basis of the acquired assets.

Discontinued Operations

If the disposition of a component, being an operating or reportable segment, business unit, subsidiary or asset group, represents a strategic shift that has or will have a major effect on the Company's operations and financial results, the operating profits or losses of the component when classified as held for sale, and the gain or loss upon disposition of the component, are presented as discontinued operations in the statements of operations.

A business or asset group acquired in connection with a business combination that meets the criteria to be accounted for as held for sale at the date of acquisition is reported as discontinued operations, regardless of whether it meets the strategic shift criterion.

The disposition of (i) NRF Holdco, LLC ("NRF Holdco"), a former subsidiary of the Company that held the Wellness Infrastructure business, in February 2022, (ii) a substantial majority of the OED investments and Other IM business in December 2021, and (iii) the hotel business, composed of the Hospitality segment and the THL Hotel Portfolio in March 2021, all represent strategic shifts that have or are expected to have major effects on the Company's operations and financial results, and have met the criteria as discontinued operations as of June 2021, March 2021, and September 2020, respectively. Accordingly, for all prior periods presented, the related assets and liabilities are presented as assets and liabilities held for disposition on the consolidated balance sheets (Note 11) and the related operating results are presented as income (loss) from discontinued operations on the consolidated statements of operations (Note 12). Discontinued operations in prior periods include investments in the respective segments that have been disposed or otherwise resolved in those periods.

Accounting Standards Adopted in 2022

Amendment to Lessor Accounting

In July 2021, the FASB issued ASU No. 2021-5, *Lessors—Certain Leases with Variable Lease Payments*, which amends existing lease classification guidance for lessors to better reflect the economics of certain lease arrangements. The ASU requires a lease with variable lease payments that are not based upon a rate or index to be classified as an operating lease if classification as a direct financing lease or sales-type lease would have resulted in a loss to the lessor at lease commencement. A loss could have otherwise arisen even if the lease is expected to be profitable as the exclusion of these variable lease payments result in the recognition of a lower net investment in a lease relative to the carrying value of the underlying asset that is derecognized at the commencement of a direct financing or sales-type lease. Under the amended guidance, this uneconomic outcome is avoided because the classification as an operating lease does not result in a derecognition of the underlying asset by the lessor, and the recognition of variable lease payments earned and depreciation expense on the underlying asset will partially offset in earnings over time. The Company adopted the ASU on its effective date of January 1, 2022. At the time of adoption, the Company, as lessor, did not have any leases that would have been subject to this amendment.

Acquired Contracts with Customers

In October 2021, the FASB issued ASU No. 2021-8, *Accounting for Contract Assets and Contract Liabilities From Contracts With Customers*, which applies the principles of ASC 606, *Revenue from Contracts with Customers*, rather than a fair value basis under ASC 805, *Business Combinations*, in the recognition of contract assets and contract liabilities acquired in a business combination. The ASU addresses the following inconsistencies: (1) measurement of contract liability or deferred revenue at fair value that is typically lower than carrying value, reducing post-acquisition revenues; and (2) timing of contractual payments affecting the fair value of deferred revenue and the amount of post-acquisition revenue in otherwise similar contracts. Under the new guidance, an acquirer records a contract asset or contract liability as if it had originated the acquired revenue contract, which requires the acquirer to evaluate performance obligations, transaction price and relative stand-alone selling price at the original contract inception date or subsequent modification dates. This will generally result in the recognition and measurement of a contract asset and contract liability that will likely be more comparable to the books of the acquiree at acquisition date. In circumstances where an acquirer is unable to assess or rely on the acquiree's accounting under ASC 606, the ASU provides a practical expedient that allows an acquirer to determine the stand-alone selling price of each performance obligation in the contract as of acquisition date, instead of contract inception date, for purposes of allocating the transaction price.

The amendments also apply to contract assets and contract liabilities from other contracts to which the provisions of ASC 606 apply, such as contracts within the scope of ASC 610-20, *Other Income—Gains and Losses from Derecognition of Nonfinancial Assets*, but the amendments do not affect the accounting for other assets or liabilities that may arise from acquired customer contracts such as refund liabilities that do not meet the definition of contract liabilities and continue to be recorded at fair value.

The ASU is effective January 1, 2023 and is to be applied prospectively. Early adoption is permitted with retrospective application to all business combinations that occurred during the fiscal year of early adoption. The Company early adopted the ASU on January 1, 2022.

Future Accounting Standards

Contractual Sale Restriction on Equity Securities

In June 2022, the FASB issued ASU 2022-03, *Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*, which amends Topic 820 Fair Value to clarify that a contractual sale restriction that is entity-specific is not part of the unit of account of an equity security and is therefore not considered in measuring the fair value of an equity security, in which case, a discount should not be applied. The amendment further prohibits recognizing the contractual sale restriction as a separate unit of account, that is, as a contra asset or liability. Sale restrictions that are characteristics of the holder of an equity security include, but are not limited to, lock-up agreements, market stand-off agreements, or specific provisions in agreements between shareholders. In contrast, a legal restriction preventing a security from being sold on a national securities exchange or an over-the-counter market is a security-specific characteristic as the restriction would similarly apply to a market participant buyer in an assumed sale of the security. This guidance also applies to issuers of equity securities that are subject to contractual sale restrictions, for example, equity securities issued as consideration in a business combination. The ASU requires additional disclosures related to equity securities that are subject to contractual sale restrictions, specifically (1) the fair value of such equity securities, (2) the nature and remaining duration of the restrictions, and (3) any circumstances that could cause a lapse in restrictions. The ASU is effective January 1, 2024, with early adoption permitted in the interim periods. Transition is prospective with any fair value adjustments resulting from adoption recognized in earnings and the amount adjusted disclosed in the period of adoption.

For subsidiaries of the Company that are investment companies as defined in ASC 946, the ASU is applied prospectively to equity securities with contractual sale restrictions entered into or modified on or after the adoption date. For equity securities with contractual sale restrictions entered into or modified before the adoption date, the existing accounting policy continues to be applied until the restrictions expire or are modified, and if the existing accounting policy differs from the amended guidance, the additional disclosure requirements under the ASU would be applicable.

The Company and its investment company subsidiaries do not currently have equity securities subject to contractual sale restrictions.

3. Acquisitions

Asset Acquisitions

Vantage SDC Hyperscale Data Centers

In connection with the Company's acquisition of Vantage Data Centers Holdings, LLC's ("Vantage") portfolio of stabilized hyperscale data centers ("Vantage SDC") in July 2020, the Company had an option to purchase an additional data center in Santa Clara, California. In September 2021, the Company exercised the option and purchased the data center for \$404.5 million in cash, funded through borrowings by Vantage SDC, with a deferred amount of \$56.9 million to be paid upon future lease-up, and additional consideration contingent on lease-up of the remaining capacity.

The Company and its co-investors also committed to acquire the future build-out of expansion capacity, along with lease-up of the expanded capacity and existing inventory, the costs of which are borne by the previous owners of Vantage SDC. As of September 30, 2022, the remaining consideration for the incremental lease-up acquisitions is estimated to be approximately \$204 million. Most, if not all, of the cost of the expansion capacity has been or will be funded by Vantage SDC from borrowings under its credit facilities and/or cash from operations. Pursuant to this arrangement, Vantage SDC had 11 new tenant leases that commenced in the nine months ended September 30, 2022, and 11 new tenant leases that commenced in 2021 related to a portion of the expansion capacity, for aggregate consideration of \$123.7 million and \$100.8 million, respectively.

All of these payments were made to the previous owners of Vantage SDC and are treated as asset acquisitions.

Acquisitions by DataBank

2022

- In May 2022, the Company's edge colocation data center subsidiary, DataBank, acquired a data center in Atlanta, Georgia for \$10.9 million.
- In March 2022, DataBank acquired four colocation data centers in Houston, Texas for \$670 million. The acquisition was funded by a combination of \$262.5 million of debt and \$407.5 million of equity, of which the Company's share was \$87.0 million.
- In February 2022, DataBank acquired a data center in Denver that was previously leased by its zColo subsidiary for \$17.6 million.

2021

- In February 2021, DataBank acquired five data centers in its zColo portfolio in France for \$33.0 million.
- In the third quarter of 2021, DataBank and its zColo subsidiary each acquired a building in the U.S. for a combined \$38.5 million, to be redeveloped into data centers.

Tower Assets

In June 2022, the Company acquired the mobile telecommunications tower business ("TowerCo") of Telenet Group Holding NV (Euronext Brussels: TNET) for €740.1 million or \$791.3 million (including transaction costs). The assets acquired included owned tower sites, tower sites subject to third party leases, equipment, and customer relationships. The third party leases give rise to right-of-use lease assets and corresponding lease liabilities. The customer relationships intangible primarily relates to a master lease agreement with Telenet as lessee. The acquisition was funded through \$326.1 million of debt, \$278.1 million of equity from the Company, and \$213.8 million in third party equity. In addition to the purchase price, the funds were used to finance transaction costs, debt issuance costs, working capital and as operating cash. This investment is intended to be transferred to a new investment vehicle to be sponsored by the Company and is presented within Corporate and Other in Note 19.

Allocation of Consideration Transferred

The following table summarizes the consideration and allocation to assets acquired, liabilities assumed and noncontrolling interests at acquisition. In an asset acquisition, the cost of assets acquired, which includes capitalized transaction costs, is allocated to individual assets within the group based on their relative fair values and does not give rise to goodwill.

(In thousands)	Asset Acquisitions					
	2022			2021		
	TowerCo	Acquisitions by DataBank / zColo US	Vantage SDC Expansion Capacity	Vantage SDC Expansion Capacity and Add-On Acquisition	Acquisitions by DataBank / zColo US	zColo France
Assets acquired and liabilities assumed						
Real estate	\$ 363,121	\$ 627,474	\$ 105,691	\$ 479,587	\$ 38,500	\$ 26,083
Intangible assets	673,218	77,885	18,028	82,603	—	8,702
ROU and other assets	234,462	3,994	—	—	—	9,536
Deferred tax liabilities	(243,223)	—	—	—	—	—
Intangible, lease and other liabilities	(236,324)	(2,839)	—	(56,889)	—	(11,303)
Fair value of net assets acquired	\$ 791,254	\$ 706,514	\$ 123,719	\$ 505,301	\$ 38,500	\$ 33,018

- Real estate was valued based upon (i) current replacement cost for buildings in an as-vacant state and improvements, estimated using construction cost guidelines; (ii) current replacement cost for data center infrastructure by applying an estimated cost per kilowatt based upon current capacity of each location and also considering the associated indirect costs such as design, engineering, construction and installation; (iii) current replacement cost for towers in consideration of their remaining economic life; and (iv) recent comparable sales or current listings for land. Useful lives of real estate acquired range from 35 to 50 years for buildings and improvements, 15 to 20 years for site improvements, 11 to 71 years for towers and related equipment, and 11 to 20 years for data center infrastructure.
- Lease-related intangibles for real estate acquisitions were composed of the following:
 - In-place leases reflect the value of rental income forgone if the properties had been acquired vacant, and the leasing commissions, legal and marketing costs that would have been incurred to lease up the properties, discounted at rates between 4.75% and 6.8%, with remaining lease terms ranging between 1 and 15 years.
 - Above- and below-market leases represent the rent differential for the remaining lease term between contractual rents of acquired leases and market rents at the time of acquisition, discounted at rates between 6.0% and 11.25% with remaining lease terms ranging between 1 and 4 years.
 - Tenant relationships represent the estimated net cash flows attributable to the likelihood of lease renewal by an existing tenant relative to the cost of obtaining a new lease, taking into consideration the estimated time it would require to execute a new lease or backfill a vacant space, discounted at rates between 4.75% and 11.5%, with estimated useful lives between 5 and 15 years.
 - Customer service contracts were valued based upon estimated net cash flows generated from the zColo customer service contracts that would have been forgone if such contracts were not in place, taking into consideration the time it would require to execute a new contract, with remaining term of the contracts ranging between 1 and 15 years.
 - Customer relationship intangible assets for towers were valued as the estimated future cash flows to be generated over the life of the tenant relationships based upon rental rates, operating costs, expected renewal terms and attrition, discounted at 6.8%, with estimated useful lives between 19 and 45 years.
- Deferred tax liabilities were recognized for the book-to-tax basis difference associated with the TowerCo acquisition.
- Other assets acquired and liabilities assumed include primarily lease ROU assets associated with leasehold data centers and ground space hosting tower communication sites, along with corresponding lease liabilities. Lease liabilities were measured based upon the present value of future lease payments over the lease term, discounted at the incremental borrowing rate of the respective acquiree entities. Other liabilities in 2021 also included a deferred purchase consideration associated with the Vantage SDC add-on acquisition.

Purchase Commitment

Infrastructure Investment Management Platform

In April 2022, the Company entered into a definitive agreement to acquire the global infrastructure equity investment management business of AMP Capital Investors International Holdings Limited ("AMP Capital"). Consideration for the acquisition consists of: (i) an upfront amount of A\$458 million (\$314 million at September 30, 2022 spot rate), subject to certain customary adjustments; and (ii) a contingent amount of up to A\$180 million (\$125 million at September 30, 2022 spot rate), primarily based upon future fundraising for AMP Capital's global infrastructure funds. The transaction is expected to close in the fourth quarter of 2022, subject to customary closing conditions, including regulatory approvals. There is no assurance that the acquisition will close in the timeframe contemplated or on the terms anticipated, if at all.

4. Real Estate

The following table summarizes the Company's real estate held for investment.

<u>(In thousands)</u>	September 30, 2022	December 31, 2021
Land	\$ 257,499	\$ 206,588
Buildings and improvements	1,555,396	1,295,204
Data center infrastructure	4,302,733	3,785,561
Towers and equipment	332,797	—
Construction in progress	341,760	77,014
	6,790,185	5,364,367
Less: Accumulated depreciation	(648,770)	(392,083)
Real estate assets, net	<u>\$ 6,141,415</u>	<u>\$ 4,972,284</u>

Real Estate Depreciation

Depreciation of real estate held for investment was \$91.3 million and \$69.7 million for the three months ended September 30, 2022 and 2021, respectively, and \$257.7 million and \$211.3 million for the nine months ended September 30, 2022 and 2021, respectively.

Property Operating Income

Components of property operating income are as follows.

<u>(In thousands)</u>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Lease income:				
Fixed lease income	\$ 195,701	\$ 153,173	\$ 537,213	\$ 454,560
Variable lease income	29,453	22,065	86,668	68,152
	225,154	175,238	623,881	522,712
Data center service revenue	19,182	19,616	57,217	50,129
	<u>\$ 244,336</u>	<u>\$ 194,854</u>	<u>\$ 681,098</u>	<u>\$ 572,841</u>

For the nine months ended September 30, 2022 and 2021, property operating income from a single customer accounted for approximately 18% and 16%, respectively, of the Company's total revenues from continuing operations, or approximately 8% for both periods, of the Company's share of total revenues from continuing operations, net of amounts attributable to noncontrolling interests in investment entities.

5. Equity and Debt Investments

The Company's equity and debt investments, excluding investments held for disposition (Note 11), are represented by the following:

(In thousands)	September 30, 2022	December 31, 2021
Equity investments		
<i>Equity method investments</i>		
BrightSpire Capital, Inc. (BRSP) ⁽¹⁾	\$ 220,793	\$ 284,985
Company-sponsored private funds—equity investment in funds	305,833	270,737
Company-sponsored private funds—carried interest	193,758	111,957
Other	4,458	5,417
	<u>724,842</u>	<u>673,096</u>
<i>Other equity investments</i>		
Marketable securities (Note 13)	150,028	201,912
Private funds and non-traded REIT	47,289	49,575
Other	77,270	10,570
Total equity investments	<u>999,429</u>	<u>935,153</u>
Debt securities		
CLO subordinated notes	50,927	—
Equity and debt investments	<u>\$ 1,050,356</u>	<u>\$ 935,153</u>

⁽¹⁾ At December 31, 2021, excluded approximately 461,000 shares and 3.1 million units in BRSP held by NRF Holdco that were included in assets held for disposition (Note 11). NRF Holdco was sold in February 2022.

Equity Investments

The Company's equity investments represent noncontrolling equity interests in various entities, primarily BRSP, interests in the Company's sponsored digital investment vehicles, and marketable securities held largely by private open-end liquid funds sponsored and consolidated by the Company.

For equity method investments, the liabilities of the investment entities may only be settled using the assets of these entities and there is no recourse to the general credit of the Company for the obligations of these entities. The Company is not required to provide financial or other support in excess of its capital commitments, where applicable, and its exposure is limited to its investment balance.

The Company evaluates its equity method investments for other-than-temporary impairment ("OTTI") at each reporting period. In 2021, OTTI was recorded only on equity method investments held for disposition, as discussed in Note 11.

BrightSpire Capital, Inc. (NYSE: BRSP)

At September 30, 2022, the Company owned approximately 35.0 million shares in BRSP for a 27.1% interest in BRSP (29.0% at December 31, 2021, including BRSP shares and units held by NRF Holdco that were disposed in February 2022), accounted for under the equity method as it exercises significant influence over BRSP's operating and financial policies through its substantial ownership interest. In connection with the internalization of BRSP in April 2021, the Company had entered into a stockholders agreement with BRSP, pursuant to which the Company agreed, for so long as the Company owns at least 10% of BRSP's outstanding common shares, to vote in BRSP director elections as recommended by BRSP's board of directors at any stockholders' meeting that occurs prior to BRSP's 2023 annual stockholders' meeting. In addition, the Company is subject to customary standstill restrictions, including an obligation not to initiate or make stockholder proposals, nominate directors or participate in proxy solicitations, until the beginning of the advance notice window for BRSP's 2023 annual meeting. Except as aforementioned, the Company may vote its shares in its sole discretion in any votes of BRSP's stockholders and is prohibited from acquiring additional BRSP shares.

Disposition—In August 2021, the Company sold 9,487,500 BRSP shares through a secondary offering by BRSP for net proceeds of approximately \$81.8 million, after underwriting discounts. A net gain was recognized in equity method earnings within continuing operations of \$7.6 million (including a proportion of basis difference associated with the BRSP shares disposed, as discussed below).

OTTI—In the third quarter of 2022, the Company determined that its investment in BRSP was other-than-temporarily impaired and recorded an impairment charge, included in equity method losses, of \$59.6 million. The Company determined that given the continued market volatility in 2022, its anticipated hold period for its investment in BRSP may not be sufficient to allow for a recovery of BRSP's stock price relative to the Company's carrying value of its investment in BRSP. The OTTI charge was measured as the excess of carrying value over market value of the Company's investment in BRSP based upon BRSP's closing stock price on September 30, 2022, the last trading day of the quarter, of \$6.31 per share. Throughout 2021, the fair value of the Company's investment in BRSP was in excess of its carrying value.

As a result of the impairment charge, the carrying value of the Company's investment in BRSP as of September 30, 2022 represents a non-recurring fair value that was measured under the Level 1 fair value hierarchy.

Basis Difference—The Company recorded impairment charges on its investment in BRSP in 2022, 2020 and 2019. This resulted in a basis difference between the Company's carrying value of its investment in BRSP (based upon BRSP's share price at the time of impairment) and the Company's proportionate share of BRSP's book value of equity at the time of impairment. The impairment charges were applied to the Company's investment in BRSP as a whole and were not determined based upon an impairment assessment of individual assets held by BRSP. Therefore, the impairment charges were generally allocated on a relative fair value basis across BRSP's various investments. Accordingly, for any subsequent resolutions or write-downs taken by BRSP on these investments, the Company's share thereof is not recorded as an equity method loss but is applied to reduce the basis difference until such time the basis difference in connection with the respective investments has been fully eliminated. Upon resolution of these investments by BRSP or upon the Company's disposition of its shares in BRSP, the basis difference related to resolved investments or the proportion of basis difference associated with the BRSP shares disposed is applied to calculate the Company's share of net gain or loss resulting from such resolution or disposition. The Company increased its share of net earnings from BRSP by \$1.2 million and \$41.4 million for the three months ended September 30, 2022 and 2021, respectively, and \$17.0 million and \$100.5 million for the nine months ended September 30, 2022 and 2021, respectively, representing the basis difference allocated to investments that were resolved or impaired by BRSP during these periods. The basis difference balance at September 30, 2022 was \$209.8 million.

Carried Interest

Carried interest represents a disproportionate allocation of returns to the Company, as general partner, based upon the extent to which cumulative performance of a sponsored fund exceeds minimum return hurdles. Carried interest generally arises when appreciation in value of the underlying investments of the fund exceeds the minimum return hurdles, after factoring in a return of invested capital and a return of certain costs of the fund pursuant to terms of the governing documents of the fund. The amount of carried interest recognized is based upon the cumulative performance of the fund if it were liquidated as of the reporting date. Unrealized carried interest is driven by changes in fair value of the underlying investments of the fund and may be subject to reversal until such time it is realized. Realization of carried interest occurs upon disposition of all underlying investments of the fund, or in part with each disposition.

Generally, carried interest is distributed upon profitable disposition of an investment if at the time of distribution, cumulative returns of the fund exceed minimum return hurdles. Depending on the final realized value of all investments at the end of the life of a fund, if it is determined that cumulative carried interest distributions have exceeded the final carried interest amount earned, the Company is obligated to return the excess carried interest received. Therefore, carried interest distributions may be subject to clawback if decline in investment values results in cumulative performance of the fund falling below minimum return hurdles in the interim period. If it is determined that the Company has a clawback obligation, a liability would be established based upon a hypothetical liquidation of the net assets of the fund at reporting date. The actual determination and required payment of any clawback obligation would generally occur after final disposition of the investments of the fund or otherwise as set forth in the governing documents of the fund. At September 30, 2022, the Company does not have a liability for clawback obligations on distributed carried interest.

With respect to funds that have distributed carried interest, in the event all of their investments are deemed to have no value, the likelihood of which is remote, carried interest distributions subject to clawback as of September 30, 2022 would amount to \$51.2 million, of which \$45.9 million would be the responsibility of the employee and former employee recipients. For this purpose, a portion of the carried interest allocated is generally held back from these recipients at the time of distribution (Note 7).

The carried interest balances at September 30, 2022 and December 31, 2021 represent unrealized carried interest in connection with sponsored funds that are currently in the early stage of their lifecycle. Carried interest allocation is presented gross of accrued carried interest compensation (Note 7).

Carried Interest Distributed

In the third quarter of 2022, \$123.5 million of carried interest was distributed, including \$51.2 million that had been previously accrued, recognized in equity method earnings. \$103.2 million of the distributed carried interest was allocated to current and former employees and to Wafra (Note 10), of which \$45.9 million had been previously accrued, recorded as carried interest compensation and amounts attributable to noncontrolling interests (Note 18).

Investment and Lending Commitments

Sponsored Funds

At September 30, 2022, the Company had unfunded commitments to its sponsored funds of \$141.7 million.

Loans Receivable

At September 30, 2022, the Company's DataBank subsidiary had unfunded lending commitments to a borrower of \$24.2 million, of which the Company's share was \$3.3 million, net of amounts attributable to noncontrolling interests in investment entities.

Debt Securities

In the third quarter of 2022, bank syndicated loans that the Company previously warehoused were transferred into a third party warehouse entity at their acquisition price totaling \$232.7 million, and securitized through the issuance of collateralized loan obligation securities ("CLO"). The corresponding warehouse facility of \$172.5 million was repaid by the Company. The CLO is sponsored and managed by the third party. The Company acquired all of the subordinated notes of the CLO, which are classified as available-for-sale ("AFS") debt securities. The CLO has a stated legal final maturity of 2035.

At September 30, 2022, the CLO subordinated notes were carried at their recently issued price, which represents their current estimated fair value.

(in thousands)	Amortized Cost without Allowance for Credit Loss	Allowance for Credit Loss	Gross Cumulative Unrealized		Fair Value
			Gains	Losses	
September 30, 2022	\$ 50,927	\$ —	\$ —	\$ —	\$ 50,927

6. Goodwill, Deferred Leasing Costs and Other Intangibles

Goodwill

Goodwill balance by reportable segment at both September 30, 2022 and December 31, 2021 is as follows.

(In thousands)	
Digital Investment Management ⁽¹⁾	\$ 298,248
Digital Operating	463,120
Total goodwill	<u>\$ 761,368</u>

⁽¹⁾ Remaining goodwill deductible for income tax purposes was \$125.0 million at September 30, 2022 and \$133.0 million at December 31, 2021.

Deferred Leasing Costs, Other Intangible Assets and Intangible Liabilities

Deferred leasing costs and identifiable intangible assets and liabilities, excluding those related to assets held for disposition, are as follows.

(In thousands)	September 30, 2022			December 31, 2021		
	Carrying Amount (Net of Impairment) ⁽¹⁾	Accumulated Amortization ⁽¹⁾	Net Carrying Amount ⁽¹⁾	Carrying Amount (Net of Impairment) ⁽¹⁾	Accumulated Amortization ⁽¹⁾	Net Carrying Amount ⁽¹⁾
Deferred Leasing Costs and Intangible Assets						
Deferred leasing costs and lease-related intangible assets ⁽²⁾	\$ 1,294,228	\$ (362,943)	\$ 931,285	\$ 1,148,441	\$ (256,987)	\$ 891,454
Investment management intangibles ⁽³⁾	164,189	(76,609)	87,580	164,189	(61,435)	102,754
Customer relationships and service contracts	774,422	(62,846)	711,576	218,064	(44,496)	173,568
Trade names	26,400	(14,559)	11,841	26,400	(11,266)	15,134
Other ⁽⁵⁾	6,818	(3,540)	3,278	6,818	(2,101)	4,717
Total deferred leasing costs and intangible assets	\$ 2,266,057	\$ (520,497)	\$ 1,745,560	\$ 1,563,912	\$ (376,285)	\$ 1,187,627
Intangible Liabilities						
Lease intangible liabilities ⁽²⁾	\$ 46,630	\$ (15,326)	\$ 31,304	\$ 44,076	\$ (10,775)	\$ 33,301

⁽¹⁾ Amounts are presented net of impairments and write-offs.

⁽²⁾ Lease intangible assets are composed of in-place leases, above-market leases and tenant relationships. Lease-intangible liabilities are composed of below-market leases.

⁽³⁾ Composed of investment management contracts and investor relationships.

⁽⁴⁾ In connection with tower assets and data center services provided in the colocation data center business.

⁽⁵⁾ Represents primarily the value of an acquired domain name and assembled workforce in an asset acquisition.

Amortization of Intangible Assets and Liabilities

The following table summarizes amortization of deferred leasing costs and finite-lived intangible assets and intangible liabilities:

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net increase (decrease) to rental income ⁽¹⁾	\$ (3)	\$ (726)	\$ 172	\$ (2,169)
Amortization expense				
Deferred leasing costs and lease-related intangibles	\$ 34,834	\$ 40,251	\$ 118,941	\$ 126,418
Investment management intangibles	5,066	8,056	15,176	20,284
Customer relationships and service contracts	7,754	7,671	18,554	23,421
Trade name	1,098	1,645	3,294	20,408
Other	477	477	1,431	1,405
	\$ 49,229	\$ 58,100	\$ 157,396	\$ 191,936

⁽¹⁾ Represents the net effect of amortizing above- and below-market leases.

The following table presents the future amortization of deferred leasing costs and finite-lived intangible assets and intangible liabilities, excluding those related to assets and liabilities held for disposition.

(In thousands)	Year Ending December 31,						
	Remaining 2022	2023	2024	2025	2026	2027 and thereafter	Total
Net increase (decrease) to rental income	\$ (303)	\$ (979)	\$ (1,700)	\$ (1,603)	\$ (1,623)	\$ 238	\$ (5,970)
Amortization expense	49,687	170,345	139,506	127,447	121,125	1,100,176	1,708,286

7. Restricted Cash, Other Assets and Other Liabilities

Restricted Cash

Restricted cash represents principally cash reserves that are maintained pursuant to the governing agreements of the various securitized debt of the Company and its subsidiaries.

Other Assets

The following table summarizes the Company's other assets:

(In thousands)	September 30, 2022	December 31, 2021
Straight-line rents	\$ 42,484	\$ 25,516
Investment deposits and pending deal costs	38,471	22,238
Prefunded capital expenditures for Vantage SDC	3,117	24,293
Derivative assets	30,820	944
Prepaid taxes and deferred tax assets, net	35,091	29,347
Receivables from resolution of investment	10,633	10,463
Operating lease right-of-use asset, net	536,337	349,509
Finance lease right-of-use asset, net	123,173	131,909
Accounts receivable, net ⁽¹⁾	88,126	83,878
Prepaid expenses	22,865	20,303
Other assets	18,992	24,835
Fixed assets, net ⁽²⁾	14,538	17,160
Total other assets	\$ 964,647	\$ 740,395

⁽¹⁾ Includes primarily receivables from tenants.

⁽²⁾ Net of accumulated depreciation of \$23.9 million as of September 30, 2022 and \$19.2 million as of December 31, 2021.

Accrued and Other Liabilities

The following table summarizes the Company's accrued and other liabilities:

(In thousands)	September 30, 2022	December 31, 2021
Deferred income ⁽¹⁾	\$ 57,308	\$ 37,143
Interest payable	14,682	14,870
Derivative liabilities	12,493	—
Stock repurchase payable	5,604	—
Securities sold short—consolidated funds	35,068	37,970
Current and deferred income tax liability	223,988	2,016
Contingent consideration payable (Note 10)	125,000	—
Warrants issued to Wafra (Note 10)	24,000	—
Operating lease liability	513,200	342,510
Finance lease liability	137,458	142,777
Accrued compensation	46,213	64,100
Accrued incentive fee and carried interest compensation	90,888	67,258
Accrued real estate and other taxes	27,261	10,523
Payable for Vantage SDC expansion capacity (Note 3)	99,917	55,896
Accounts payable and accrued expenses	188,658	121,931
Other liabilities	60,868	31,048
Accrued and other liabilities	\$ 1,662,606	\$ 928,042

⁽¹⁾ Represents primarily prepaid rental income, upfront payment received for data center installation services, and deferred investment management fees. Deferred investment management fees of \$5.6 million at September 30, 2022 and \$6.0 million at December 31, 2021 are expected to be recognized as fee income over a weighted average period of 3.3 years and 3.2 years, respectively. Deferred investment management fees recognized as income of \$0.6 million and \$0.1 million in the three months ended September 30, 2022 and 2021, respectively, and \$3.1 million and \$0.3 million in the nine months ended September 30, 2022 and 2021, respectively, pertain to the deferred management fee balance at the beginning of each respective period.

Deferred Income Tax

As a result of the Company's transition to a C-Corporation (as discussed in Note 1), a deferred tax asset was recognized as of January 1, 2022 related to the outside basis difference in the Company's investment in certain partnerships, and capital loss and NOL carryforwards. Concurrently, a full valuation allowance was established on this deferred tax asset due to uncertainties in future realization of the tax benefits in consideration of the Company's history of cumulative operating losses. The Company will continue to assess the realizability of this deferred tax asset at each reporting period and as circumstances change. As of September 30, 2022, there was no change in the expected realizability of the net deferred tax asset, which remains subject to a full valuation allowance.

For the nine months ended September 30, 2022, net income tax benefit of \$17.8 million reflects the tax effect of activities in the Company's previously designated TRS in the normal course of business.

Accrued Incentive Fee and Carried Interest Compensation

Incentive fee and carried interest compensation represent a portion of incentive fees and carried interest allocated to certain employees. Incentive fee and carried interest compensation are accrued as the related incentive fees and carried interest are recognized in earnings. Carried interest compensation may be reversed if there is a decline in the cumulative carried interest amounts previously recognized by the Company. Incentive fee and carried interest compensation are generally not paid to employees until the related incentive fees and carried interest amounts are distributed by the funds to the Company. If the related carried interest distributions received by the Company are subject to clawback, the previously distributed carried interest compensation would be similarly subject to clawback from employees. The Company generally withholds a portion of the distribution of carried interest compensation to employees to satisfy their potential clawback obligation. The amount withheld resides in entities outside of the Company.

8. Debt

The Company's debt balance is composed of the following components, excluding debt related to assets held for disposition that is expected to be assumed by the counterparty upon disposition, which is included in liabilities related to assets held for disposition (Note 11).

<u>(In thousands)</u>	<u>Securitized Financing Facility</u>	<u>Convertible and Exchangeable Senior Notes</u>	<u>Investment-Level Secured Debt</u>	<u>Total Debt</u>
<u>September 30, 2022</u>				
Debt at amortized cost				
Principal	\$ 300,000	\$ 278,422	\$ 4,815,712	\$ 5,394,134
Premium (discount), net	—	(1,409)	12,443	11,034
Deferred financing costs	(8,352)	(602)	(70,599)	(79,553)
	<u>\$ 291,648</u>	<u>\$ 276,411</u>	<u>\$ 4,757,556</u>	<u>\$ 5,325,615</u>
<u>December 31, 2021</u>				
Debt at amortized cost				
Principal	\$ 300,000	\$ 338,739	\$ 4,283,983	\$ 4,922,722
Premium (discount), net	—	(3,091)	17,629	14,538
Deferred financing costs	(8,606)	(1,384)	(66,868)	(76,858)
	<u>\$ 291,394</u>	<u>\$ 334,264</u>	<u>\$ 4,234,744</u>	<u>\$ 4,860,402</u>

The following table summarizes certain key terms of the Company's debt.

(\$ in thousands)	Fixed Rate			Variable Rate			Total		
	Outstanding Principal	Weighted Average Interest Rate (Per Annum) ⁽¹⁾	Weighted Average Years Remaining to Maturity ⁽²⁾	Outstanding Principal	Weighted Average Interest Rate (Per Annum) ⁽¹⁾	Weighted Average Years Remaining to Maturity ⁽²⁾	Outstanding Principal	Weighted Average Interest Rate (Per Annum) ⁽¹⁾	Weighted Average Years Remaining to Maturity ⁽²⁾
September 30, 2022									
Recourse									
Secured Fund Fee Revenue Notes ⁽³⁾	\$ 300,000	3.93 %	4.0	\$ —	N/A	4.0	\$ 300,000	3.93 %	4.0
Convertible and exchangeable senior notes	278,422	5.21 %	1.2	—	N/A	N/A	278,422	5.21 %	1.2
	<u>578,422</u>			<u>—</u>			<u>578,422</u>		
Non-recourse									
Investment-Level Secured Debt									
Digital Operating	3,641,793	2.43 %	3.3	863,767	7.35 %	2.8	4,505,560	3.38 %	3.2
Other	88,186	6.47 %	6.7	221,966	4.18 %	6.4	310,152	4.83 %	6.5
	<u>3,729,979</u>			<u>1,085,733</u>			<u>4,815,712</u>		
	<u>\$ 4,308,401</u>			<u>\$ 1,085,733</u>			<u>\$ 5,394,134</u>		
December 31, 2021									
Recourse									
Secured Fund Fee Revenue Notes ⁽³⁾	\$ 300,000	3.93 %	4.7	\$ —	N/A	4.7	\$ 300,000	3.93 %	4.7
Convertible and exchangeable senior notes ⁽⁴⁾	338,739	5.31 %	2.2	—	N/A	N/A	338,739	5.31 %	2.2
	<u>638,739</u>			<u>—</u>			<u>638,739</u>		
Non-recourse									
Investment-Level Secured Debt									
Digital Operating	3,646,466	2.44 %	4.1	571,017	5.74 %	4.0	4,217,483	2.88 %	4.1
Other	—	N/A	N/A	66,500	1.31 %	1.6	66,500	1.31 %	1.6
	<u>3,646,466</u>			<u>637,517</u>			<u>4,283,983</u>		
	<u>\$ 4,285,205</u>			<u>\$ 637,517</u>			<u>\$ 4,922,722</u>		

⁽¹⁾ Calculated based upon outstanding debt principal at balance sheet date. For variable rate debt, weighted average interest rate is calculated based upon the applicable index plus spread at balance sheet date.

⁽²⁾ Calculated based upon anticipated repayment dates for notes issued under securitization financing; otherwise based upon initial maturity dates, or extended maturity dates if extension criteria are met for extensions that are at the Company's option.

⁽³⁾ Represent obligations of special-purpose subsidiaries of the OP as co-issuers and certain other special-purpose subsidiaries of DBRG, and secured by assets of these special-purpose subsidiaries, as further described below. DBRG and the OP are not guarantors to the debt.

⁽⁴⁾ Excludes the 5.375% exchangeable senior notes issued by NRF Holdco that were classified as held for disposition (Note 11) and subsequently assumed by the acquirer in February 2022.

Securitized Financing Facility

In July 2021, special-purpose subsidiaries of the OP (the "Co-Issuers") issued Series 2021-1 Secured Fund Fee Revenue Notes, composed of: (i) \$300 million aggregate principal amount of 3.933% Secured Fund Fee Revenue Notes, Series 2021-1, Class A-2 (the "Class A-2 Notes"); and (ii) up to \$300 million (following a \$100 million increase in April 2022) Secured Fund Fee Revenue Variable Funding Notes, Series 2021-1, Class A-1 (the "VFN" and, together with the Class A-2 Notes, the "Series 2021-1 Notes"). The VFN allow the Co-Issuers to borrow on a revolving basis. The Series 2021-1 Notes were issued under an Indenture dated July 2021, as amended in April 2022, that allows the Co-Issuers to issue additional series of notes in the future, subject to certain conditions. The Series 2021-1 Notes had replaced the Company's previous corporate credit facility.

The Series 2021-1 Notes represent obligations of the Co-Issuers and certain other special-purpose subsidiaries of DBRG, and neither DBRG, the OP nor any of its other subsidiaries are liable for the obligations of the Co-Issuers. The Series 2021-1 Notes are secured by investment management fees earned by subsidiaries of DBRG, equity interests in certain digital portfolio companies and limited partnership interests in certain digital funds managed by subsidiaries of DBRG, as collateral.

The Class A-2 Notes bear interest at a rate of 3.933% per annum, payable quarterly. The VFN bear interest generally based upon 1-month Adjusted Term Secured Overnight Financing Rate or SOFR (prior to April 2022, 3-month LIBOR) or an alternate benchmark as set forth in the purchase agreement of the VFN plus 3%. Unused amounts under the VFN facility is subject to a commitment fee of 0.5% per annum. The final maturity date of the Class A-2 Notes is in September 2051, with an anticipated repayment date in September 2026. The anticipated repayment date of the VFN is in September 2024, subject to two one-year extensions at the option of the Co-Issuers. If the Series 2021-1 Notes are not repaid or refinanced prior to their anticipated repayment date, or such date is not extended for the VFN, interest will accrue at a higher rate and the Series 2021-1 Notes will begin to amortize quarterly.

The Series 2021-1 Notes may be optionally prepaid, in whole or in part, prior to their anticipated repayment dates. There is no prepayment penalty on the VFN. However, prepayment of the Class A-2 Notes will be subject to additional consideration based upon the difference between the present value of future payments of principal and interest and the outstanding principal of such Class A-2 Note that is being prepaid; or 1% of the outstanding principal of such Class A-2 Note that is being prepaid in connection with a disposition of collateral.

The Indenture of the Series 2021-1 Notes contains various covenants, including financial covenants that require the maintenance of minimum thresholds for debt service coverage ratio and maximum loan-to-value ratio, as defined. As of the date of this filing, the Co-Issuers are in compliance with all of the financial covenants and the full \$300 million under the VFN is available to be drawn.

Convertible and Exchangeable Senior Notes

Convertible and exchangeable senior notes (collectively, the senior notes) are composed of the following, each representing senior unsecured obligations of DigitalBridge Group, Inc. or a subsidiary as the respective issuers of the senior notes:

Description	Issuance Date	Due Date	Interest Rate (per annum)	Conversion or Exchange Price (per share of common stock)	Conversion or Exchange Ratio (in shares) ⁽¹⁾	Conversion or Exchange Shares (in thousands)	Earliest Redemption Date	Outstanding Principal	
								September 30, 2022	December 31, 2021
Issued by DigitalBridge Group, Inc.									
5.00% Convertible Senior Notes	April 2013	April 15, 2023	5.00 %	\$ 63.02	15.8675	3,174	April 22, 2020	\$ 200,000	\$ 200,000
Issued by DigitalBridge Operating Company, LLC									
5.75% Exchangeable Senior Notes	July 2020	July 15, 2025	5.750 %	9.20	108.6956	8,524	July 21, 2023	78,422	138,739
								<u>\$ 278,422</u>	<u>\$ 338,739</u>

⁽¹⁾ The conversion or exchange rate for the senior notes is subject to periodic adjustments to reflect certain carried-forward adjustments relating to common stock splits, reverse stock splits, common stock adjustments in connection with spin-offs and cumulative cash dividends paid on the Company's common stock since the issuances of the respective senior notes. The conversion or exchange ratios are presented in shares of common stock per \$1,000 principal of each senior note.

The senior notes mature on their respective due dates, unless earlier redeemed, repurchased, converted or exchanged, as applicable. The outstanding senior notes are convertible or exchangeable at any time by holders of such notes into shares of the Company's common stock at the applicable conversion or exchange rate, which is subject to adjustment upon occurrence of certain events.

To the extent certain trading conditions of the Company's common stock are met, the senior notes are redeemable by the applicable issuer thereof in whole or in part for cash at any time on or after their respective earliest redemption dates at a redemption price equal to 100% of the principal amount of such senior notes being redeemed, plus accrued and unpaid interest (if any) up to, but excluding, the redemption date.

In the event of certain change in control transactions, holders of the senior notes have the right to require the applicable issuer to purchase all or part of such holder's senior notes for cash in accordance with terms of the governing documents of the respective senior notes.

Exchange of Senior Notes For Common Stock and Cash

DBRG and the OP completed separate privately negotiated exchange transactions with certain noteholders of the 5.75% exchangeable notes, as follows:

<i>(In thousands)</i>	Principal of 5.75% Exchangeable Notes Exchanged	Consideration for Exchange	
		Class A Common Stock Issued	Cash Paid
March 2022	\$ 60,317	6,389	\$ 13,887
October and November 2021	161,261	18,341	—
	\$ 221,578	24,730	\$ 13,887

The March 2022 exchanges resulted in a debt extinguishment loss of \$133.2 million, calculated as the excess of consideration paid over the carrying value of the notes exchanged, and recorded in other loss on the consolidated statement of operations. Consideration was measured at fair value based upon the closing price of the Company's class A common stock on the date of the respective exchanges, and cash paid, net of transaction costs. Unlike the exchange transactions in 2021, the March 2022 exchanges did not qualify for debt conversion accounting and were treated as a debt extinguishment as the Company issued less than the number of shares issuable under the stated exchange ratio of 108.696 shares per \$1,000 of note principal exchanged.

The exchange transactions in the fourth quarter of 2021 were treated as debt conversions that resulted in a debt conversion expense of \$25.1 million, recorded as interest expense, as the original exchange ratio was adjusted to account for savings on avoided future interest payments otherwise due to the noteholders. The debt conversion expense represents the shares of the Company's class A common stock issued in excess of such shares issuable pursuant to the original exchange ratio, and measured at fair value based upon the closing price of the Company's class A common stock on the date of the respective exchanges.

Investment-Level Secured Debt

These are investment level financing that are non-recourse to the Company and secured by data center and tower portfolios held by the Company's subsidiaries, and at December 31, 2021, also secured by previously warehoused loans receivable.

Digital Operating—In March 2021 and October 2021, DataBank raised \$657.9 million and \$332 million of 5-year securitized notes at blended fixed rates of 2.32% and 2.43% per annum, respectively. Proceeds from the March securitization were applied principally to refinance \$514 million of outstanding debt, which meaningfully reduced DataBank's overall cost of debt and extended its debt maturities, while the October proceeds were used to repay borrowings on its credit facility and to finance future acquisitions.

In November 2021, Vantage SDC issued \$530 million of 5-year securitized notes at a blended fixed rate of 2.17% per annum. Proceeds were applied to replace its current bridge financing and fund capital expenditures on the September 2021 add-on acquisition as well as to fund payments for future build-out and lease-up of expansion capacity.

9. Stockholders' Equity

The table below summarizes the share activities of the Company's preferred stock and common stock.

(In thousands)	Number of Shares		
	Preferred Stock	Class A Common Stock	Class B Common Stock
Shares outstanding at December 31, 2020	41,350	120,851	183
Redemption of preferred stock	(3,450)	—	—
Shares issued upon redemption of OP Units	—	126	—
Conversion of class B to class A common stock	—	17	(17)
Shares issued pursuant to settlement liability ⁽¹⁾	—	1,488	—
Equity awards issued, net of forfeitures	—	1,550	—
Shares canceled for tax withholding on vested equity awards	—	(669)	—
Shares outstanding at September 30, 2021	37,900	123,363	166
Shares outstanding at December 31, 2021	35,340	142,144	166
Stock repurchase	(2,229)	(945)	—
Exchange of notes for class A common stock	—	6,389	—
Shares issued upon redemption of OP Units	—	100	—
Shares issued for redemption of redeemable noncontrolling interest (Note 10)	—	14,435	—
Equity awards issued, net of forfeitures	—	1,533	—
Shares canceled for tax withholding on vested equity awards	—	(681)	—
Shares outstanding at September 30, 2022	33,111	162,975	166

⁽¹⁾ In 2021, the settlement liability was settled through the reissuance of some of the shares previously repurchased and held in a subsidiary (Note 13). Shares of class A common stock repurchased and not reissued in the settlement of the liability were subsequently cancelled.

Preferred Stock

In the event of a liquidation or dissolution of the Company, preferred stockholders have priority over common stockholders for payment of dividends and distribution of net assets.

The table below summarizes the preferred stock issued and outstanding at September 30, 2022:

Description	Dividend Rate Per Annum	Initial Issuance Date	Shares Outstanding (in thousands)	Par Value (in thousands)	Liquidation Preference (in thousands)	Earliest Redemption Date
Series H	7.125 %	April 2015	8,430	\$ 84	\$ 210,756	Currently redeemable
Series I	7.15 %	June 2017	12,989	130	324,728	Currently redeemable
Series J	7.125 %	September 2017	11,692	117	292,295	Currently redeemable
			33,111	\$ 331	\$ 827,779	

All series of preferred stock are at parity with respect to dividends and distributions, including distributions upon liquidation, dissolution or winding up of the Company. Dividends on Series H, I and J of preferred stock are payable quarterly in arrears in January, April, July and October.

Each series of preferred stock is redeemable on or after the earliest redemption date for that series at \$25.00 per share plus accrued and unpaid dividends (whether or not declared) prorated to their redemption dates, exclusively at the Company's option. The redemption period for each series of preferred stock is subject to the Company's right under limited circumstances to redeem the preferred stock upon the occurrence of a change of control (as defined in the articles supplementary relating to each series of preferred stock).

Preferred stock generally does not have any voting rights, except if the Company fails to pay the preferred dividends for six or more quarterly periods (whether or not consecutive). Under such circumstances, the preferred stock will be entitled to vote, together as a single class with any other series of parity stock upon which like voting rights have been conferred and are exercisable, to elect two additional directors to the Company's board of directors, until all unpaid dividends have been paid or declared and set aside for payment. In addition, certain changes to the terms of any series of preferred stock cannot be made without the affirmative vote of holders of at least two-thirds of the outstanding shares of each such series of preferred stock voting separately as a class for each series of preferred stock.

Common Stock

Except with respect to voting rights, class A common stock and class B common stock have the same rights and privileges and rank equally, share ratably in dividends and distributions, and are identical in all respects as to all matters. Class A common stock has one vote per share and class B common stock has thirty-six and one-half votes per share. This gives the holders of class B common stock a right to vote that reflects the aggregate outstanding non-voting economic interest in the Company (in the form of OP Units) attributable to class B common stock holders and therefore, does not provide any disproportionate voting rights. Class B common stock was issued as consideration in the Company's acquisition in April 2015 of the investment management business and operations of its former manager, which was previously controlled by the Company's former Executive Chairman. Each share of class B common stock shall convert automatically into one share of class A common stock if the former Executive Chairman or his beneficiaries directly or indirectly transfer beneficial ownership of class B common stock or OP Units held by them, other than to certain qualified transferees, which generally includes affiliates and employees. In addition, each holder of class B common stock has the right, at the holder's option, to convert all or a portion of such holder's class B common stock into an equal number of shares of class A common stock.

The Company reinstated quarterly common stock dividends beginning the third quarter of 2022, with the declaration of a dividend of \$0.01 per share of common stock that was paid in October 2022.

Dividend Reinvestment and Direct Stock Purchase Plan

The Company's Dividend Reinvestment and Direct Stock Purchase Plan (the "DRIP Plan") provides existing common stockholders and other investors the opportunity to purchase shares (or additional shares, as applicable) of the Company's class A common stock by reinvesting some or all of the cash dividends received on their shares of the Company's class A common stock or making optional cash purchases within specified parameters. The DRIP Plan involves the acquisition of the Company's class A common stock either in the open market, directly from the Company as newly issued common stock, or in privately negotiated transactions with third parties. To date, no shares of class A common stock have been acquired under the DRIP Plan in the form of new issuances in the last three years.

Reverse Stock Split

As discussed in Note 1, in August 2022, the Company effectuated a one-for-four reverse stock split of its outstanding shares of class A and class B common stock. Par value of common stock was proportionately increased from \$0.01 to \$0.04 per share.

Stock Repurchases and Redemptions

All preferred and common stock repurchases were made pursuant to a \$200 million stock repurchase program, which expires on June 30, 2023 and may be extended, modified, or discontinued at any time by the Company's Board of Directors.

For preferred stock, the excess or deficit of the repurchase or redemption price over the carrying value of the preferred stock results in a decrease or increase to net income attributable to common stockholders, respectively.

Stock Repurchases

During the third quarter of 2022, the Company repurchased (i) 2,228,805 shares in aggregate across Series H, I and J preferred stock at a discount for \$52.6 million, or a weighted average price of \$23.62 per share; and (ii) 944,570 shares of class A common stock for \$13.6 million, or a weighted average price of \$14.39 per share.

In October 2022, an additional 3,250,450 shares of class A common stock were repurchased for \$41.3 million, or a weighted average price of \$12.71 per share.

Preferred Stock Redemption

In 2021, the Company redeemed all of its outstanding 7.5% Series G preferred stock in August for \$86.8 million using proceeds from its securitized financing facility and 2,560,000 shares of its 7.125% Series H preferred stock in November for approximately \$64.4 million. All redemptions were made at the liquidation preference of \$25.00 per share.

Accumulated Other Comprehensive Income (Loss)

The following tables present the changes in each component of AOCI attributable to stockholders and noncontrolling interests in investment entities, net of immaterial tax effect. AOCI attributable to noncontrolling interests in Operating Company is immaterial.

Changes in Components of AOCI—Stockholders

(In thousands)	Company's Share in AOCI of Equity Method Investments	Unrealized Gain (Loss) on AFS Debt Securities	Unrealized Gain (Loss) on Cash Flow Hedges	Foreign Currency Translation Gain (Loss)	Unrealized Gain (Loss) on Net Investment Hedges	Total
AOCI at December 31, 2020	\$ 17,718	\$ 6,072	\$ (233)	\$ 52,832	\$ 45,734	\$ 122,123
Other comprehensive income (loss) before reclassifications	(2,948)	(297)	—	(28,950)	1,313	(30,882)
Amounts reclassified from AOCI	(2,998)	—	233	(20,221)	(1,375)	(24,361)
AOCI at September 30, 2021	<u>\$ 11,772</u>	<u>\$ 5,775</u>	<u>\$ —</u>	<u>\$ 3,661</u>	<u>\$ 45,672</u>	<u>\$ 66,880</u>
AOCI at December 31, 2021	\$ 2,334	\$ 5,861	\$ —	\$ 26,502	\$ 7,686	\$ 42,383
Other comprehensive income (loss) before reclassifications	(3,790)	—	—	(36,281)	24,477	(15,594)
Amounts reclassified from AOCI	(200)	(5,861)	—	(17,016)	(7,768)	(30,845)
AOCI at September 30, 2022	<u>\$ (1,656)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (26,795)</u>	<u>\$ 24,395</u>	<u>\$ (4,056)</u>

Changes in Components of AOCI—Noncontrolling Interests in Investment Entities

(In thousands)	Unrealized Gain (Loss) on Cash Flow Hedges	Foreign Currency Translation Gain (Loss)	Unrealized Gain (Loss) on Net Investment Hedges	Total
AOCI at December 31, 2020	\$ (1,030)	\$ 83,845	\$ 15,099	\$ 97,914
Other comprehensive loss before reclassifications	—	(58,995)	—	(58,995)
Amounts reclassified from AOCI	1,030	810	—	1,840
AOCI at September 30, 2021	<u>\$ —</u>	<u>\$ 25,660</u>	<u>\$ 15,099</u>	<u>\$ 40,759</u>
AOCI at December 31, 2021	\$ —	\$ 11,057	\$ —	\$ 11,057
Other comprehensive loss before reclassifications	—	(29,551)	—	(29,551)
Amounts reclassified from AOCI	—	(9,819)	—	(9,819)
AOCI at September 30, 2022	<u>\$ —</u>	<u>\$ (28,313)</u>	<u>\$ —</u>	<u>\$ (28,313)</u>

Reclassifications out of AOCI—Stockholders

Information about amounts reclassified out of AOCI attributable to stockholders by component is presented below. Such amounts are included in other gain (loss) in both continuing and discontinued operations on the statements of operations, as applicable, except for amounts related to equity method investments, which are included in equity method losses in discontinued operations.

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
Component of AOCI reclassified into earnings	2022	2021	2022	2021
Relief of basis of AFS debt securities	\$ —	\$ —	\$ 5,861	\$ —
Release of foreign currency cumulative translation adjustments	(3,664)	—	17,016	20,221
Realized gain on net investment hedges	7,768	—	7,768	1,375
Realized loss on cash flow hedges	—	—	—	(233)
Release of equity in AOCI of equity method investments	—	2,998	200	2,998

10. Noncontrolling Interests

Redeemable Noncontrolling Interests

The following table presents the activity in redeemable noncontrolling interests in the Company's digital investment management business through redemption in May 2022, as discussed below, and in open-end funds sponsored and consolidated by the Company.

<u>(In thousands)</u>	Nine Months Ended September 30,	
	2022	2021
Redeemable noncontrolling interests		
Beginning balance	\$ 359,223	\$ 305,278
Contributions	11,650	41,014
Distributions paid and payable, including redemptions by limited partners in consolidated funds	(20,119)	(13,865)
Net income (loss)	(31,989)	15,743
Adjustment of Wafra's interest to redemption value and warrants held by Wafra to fair value	725,026	—
Redemption of Wafra's interest	(862,276)	—
Reclassification of warrants held by Wafra to liability in May 2022 (Note 7)	(81,400)	—
Reclassification of Wafra's carried interest allocation to noncontrolling interests in investment entities in May 2022	(4,087)	—
Ending balance	\$ 96,028	\$ 348,170

Redeemable Noncontrolling Interest in the Company's Digital Investment Management Business

Strategic Investment in 2020

In July 2020, the Company formed a strategic partnership with affiliates of Wafra, Inc. (collectively, "Wafra"), a private investment firm and a global partner for alternative asset managers, in which Wafra made a minority investment in substantially all of the Company's Digital IM business. The investment entitled Wafra to participate in approximately 31.5% of the net management fees and carried interest generated by the Digital IM business.

Pursuant to this strategic partnership, Wafra assumed directly and also indirectly through a participation interest \$124.9 million of the Company's commitments to DBP I, and has a \$125.0 million commitment to DBP II that has been partially funded to-date. Wafra had also agreed to make commitments to the Company's future digital funds and investment vehicles on a pro rata basis with the Company based on Wafra's percentage interest in the Digital IM business, subject to certain caps.

In addition, the Company issued Wafra five warrants to purchase up to an aggregate of 5% of the Company's class A common stock (5% at the time of the transaction, on a fully-diluted, post-transaction basis). Each warrant entitles Wafra to purchase up to 1,338,000 shares of the Company's class A common stock at staggered strike prices between \$9.72 and \$24.00 each, exercisable through July 17, 2026. No warrants have been exercised to-date.

Wafra paid cash consideration of \$253.6 million at closing in exchange for its investment in the Digital IM business and for the warrants. As previously agreed, Wafra paid additional consideration of \$29.9 million in April 2021 based upon the Digital IM business having achieved a minimum run-rate of earnings before interest, tax, depreciation and amortization (as defined for the purpose of this computation) of \$72.0 million as of December 31, 2020. The Compensation Committee of the Board of Directors had approved an allocation of 50% of the contingent consideration received from Wafra as additional bonus compensation to management, to be paid on behalf of certain employees to fund a portion of their share of capital contributions to the DBP funds as capital calls are made for these funds. Compensation expense is recognized over time based upon an estimated timeline for deployment of capital by the funds, which will correspond to the timing of capital calls to be funded by the Company on behalf of management.

Wafra had customary minority rights and certain other structural protections designed to protect its interests, including redemption rights with respect to its investment in the Digital IM business and its funded commitments in certain digital funds. Wafra's redemption rights were subject to triggering events, including key person or cause events under the governing documents of certain digital funds.

Redemption of Strategic Investment in 2022

On May 23, 2022, pursuant to a purchase and sale agreement ("PSA") entered into with Wafra in April 2022: (a) the Company acquired Wafra's 31.5% interest in the Digital IM business; (b) Wafra's entitlement to carried interest in DBP II was reduced from 12.6% to 7%; and (c) with certain limited exceptions, Wafra sold or gave up its right to invest in, or

receive carried interest from, future investment management products, but except as otherwise provided, retained its investment in and its allocation of carried interest from existing investment management products.

Consideration for the redemption of Wafra's interest consisted of: (i) an upfront payment of \$388.5 million in cash (after certain net cash adjustments) and 14,435,399 shares of the Company's Class A common stock valued at \$348.8 million based upon the closing price of the Company's class A common stock on May 23, 2022; and (ii) the right to earn a contingent amount between \$90 million and \$125 million if the Company raises fee earning equity under management (as defined in the PSA) between \$4 billion and \$6 billion during the period from December 31, 2021 to December 31, 2023, payable in March 2023 and/or March 2024, with up to 50% payable in shares of the Company's Class A common stock at the Company's election.

The carrying value of Wafra's redeemable noncontrolling interest was adjusted to fair value prior to redemption, initially based upon an estimate of consideration payable at March 31, 2022 when redemption was deemed to be probable, including the maximum potential contingent amount of \$125 million. This adjustment resulted in an allocation from additional paid-in capital to redeemable noncontrolling interests on the consolidated balance sheet.

Additionally, the unrealized carried interest earnings allocated to Wafra that was retained and no longer subject to redemption was reclassified in May 2022 to permanent equity, included in noncontrolling interests in investment entities.

In connection with the redemption, the terms of the warrants previously issued to Wafra were amended, among other things, to provide for net cash settlement upon exercise of the warrants, at election of either the Company or Wafra, if such exercise would result in Wafra beneficially owning in excess of 9.8% of the issued and outstanding shares of the Company's class A common stock. Inclusion of the cash settlement feature changed the classification of the warrants from equity to liability. The warrants were remeasured to fair value prior to reclassification in May 2022, with the increase in value recorded in equity to reduce additional paid-in capital. Subsequent changes in fair value of the warrant liability is recorded in earnings (Note 13).

Following the redemption, the Chief Investment Officer of Wafra, Adel Alderbas, will serve as a senior advisor to the Company for a period of three years.

Noncontrolling Interests in Investment Entities

DataBank Additional Investment

In January 2022, a shareholder of DataBank sold its equity interest to the Company and an existing investor, resulting in an additional \$32.0 million investment by the Company in DataBank. Following this transaction and additional equity funded by the shareholders of DataBank in connection with its data center acquisition in March 2022 (Note 3), the Company's interest in DataBank increased from 20% to 21.8%.

DataBank Recapitalization

The first stage of the recapitalization of DataBank closed in August 2022, with a sale of the equity interest in DataBank to new investors for \$1.5 billion in cash. The Company's ownership interest in DataBank decreased from 21.8% to 13.5%. The Company's share of proceeds from the sale was \$317.8 million, including its share of carried interest net of allocation to employees.

As the transaction involved a change in ownership of a consolidated subsidiary, it was accounted for as an equity transaction. After the August 2022 closing, the difference between the book value of the Company's interest and its ownership based upon the current value of DataBank resulted in a reallocation from noncontrolling interests in investment entities to additional paid-in capital of \$170.8 million.

In October 2022, there was a second closing of the recapitalization, with additional equity interests sold to new investors for \$220.2 million. The Company's share of proceeds was \$47.8 million, including its share of carried interest net of allocation to employees. The Company's ownership interest in DataBank further decreased to 12.4%.

The recapitalization transaction triggered an accelerated vesting of certain profits interest units that had been issued by DataBank to its employees. As a result, \$10 million of additional equity based compensation was recorded in the third quarter of 2022 based upon DataBank's original grant date fair value of these awards, of which \$7.8 million was attributed to noncontrolling interests in investment entities.

Noncontrolling Interests in Operating Company

Certain current and former employees of the Company directly or indirectly own interests in OP, presented as noncontrolling interests in the Operating Company. Noncontrolling interests in OP have the right to require OP to redeem part or all of such member's OP Units 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 OP, through issuance of shares of class A common stock (registered or unregistered) on a one-for-one basis. At the end of each period, noncontrolling interests in OP is adjusted to reflect their ownership percentage in OP at the end of the period, through a reallocation between controlling and noncontrolling interests in OP.

Redemption of OP Units—The Company redeemed 100,220 OP Units during the nine months ended September 30, 2022 and 501,341 during the year ended December 31, 2021 through the issuance of an equal number of shares of class A common stock on a one-for-one basis.

11. Assets and Related Liabilities Held for Disposition

Total assets and related liabilities held for disposition are summarized below, all of which relate to discontinued operations (Note 12). At September 30, 2022, these were composed predominantly of three remaining equity investments excluded from the December 2021 OED sale. At December 31, 2021, also included are assets and liabilities held by NRF Holdco, related primarily to the Wellness Infrastructure business prior to its sale in February 2022.

<u>(In thousands)</u>	September 30, 2022	December 31, 2021
Assets		
Restricted cash	\$ —	\$ 65,022
Real estate, net	—	3,079,416
Loans receivable	—	55,878
Equity and debt investments	72,466	250,246
Deferred leasing costs and other intangible assets, net	—	118,300
Other assets	127	100,720
Due from affiliates	—	7,033
Total assets held for disposition	\$ 72,593	\$ 3,676,615
Liabilities		
Debt, net ⁽¹⁾	\$ —	\$ 2,869,360
Lease intangibles and other liabilities	60	219,339
Total liabilities related to assets held for disposition	\$ 60	\$ 3,088,699

⁽¹⁾ Represents debt related to assets held for disposition that was assumed by the acquirer upon sale of the assets. At December 31, 2021, included the 5.375% exchangeable senior notes and junior subordinated debt (as described in Note 14) which were obligations of NRF Holdco as the issuer.

Nonrecurring Fair Value of Assets Classified as Held for Disposition and Discontinued Operations

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.

The Company initially measures assets classified as held for disposition at the lower of their carrying amounts or fair value less disposal costs. For bulk sale transactions, the unit of account is the disposal group, with any excess of the aggregate carrying value over estimated fair value less costs to sell allocated to the individual assets within the group.

2022

At September 30, 2022, there were no assets held for sale that were measured at fair value on a nonrecurring basis.

Impairment loss of \$36.0 million was recorded in 2022 primarily based upon the final carrying value of net assets of the Wellness Infrastructure business upon closing of the disposition of NRF Holdco in February 2022.

2021

At December 31, 2021, only real estate held for disposition that pertained to the Wellness Infrastructure business was carried at nonrecurring fair value, having been impaired \$313.4 million during the year ended December 31, 2021 based upon the sales price for NRF Holdco.

Other assets that had been impaired during 2021 pertained to real estate, equity investments and intangible assets of the OED and Other IM portfolio that were disposed in December 2021.

Recurring Fair Value of Assets Classified as Held for Disposition and Discontinued Operations

Equity Investments Carried at Net Asset Value ("NAV")—These include equity interest in a private fund and prior to its disposition as part of NRF Holdco in February 2022, investment in a Company-sponsored non-traded REIT, amounting to \$2.8 million at September 30, 2022 and \$31.2 million at December 31, 2021.

Equity Method Investments under Fair Value Option—Equity method investments under the fair value option of \$59.6 million at September 30, 2022 and \$79.3 million at December 31, 2021 were measured based upon indicative sales price, classified as Level 3 fair value.

Loans Receivable under Fair Value Option—There were no loans held for disposition at September 30, 2022. At December 31, 2021, the loan held for disposition represents a component of the overall sales price for NRF Holdco, which was disposed in February 2022.

Debt Securities—Prior to the sale of NRF Holdco in February 2022, the Company had investments in debt securities, composed of AFS N-Star CDO bonds, which were subordinate bonds retained by NRF Holdco in its sponsored collateralized debt obligations ("CDOs"). The CDO bonds were collateralized primarily by commercial real estate debt and securities.

The balance of N-Star CDO bonds at December 31, 2021, classified as Level 3 fair value, is summarized as follows.

(in thousands)	Amortized Cost without Allowance for Credit Loss	Allowance for Credit Loss	Gross Cumulative Unrealized		Fair Value
			Gains	Losses	
December 31, 2021	\$ 55,041	\$ (24,882)	\$ 6,372	\$ —	\$ 36,531

Prior to its sale, the fair value of N-Star CDO bonds represents a component of the overall sales price for the disposition of NRF Holdco.

There was no provision for credit loss in 2022 prior to disposition but \$0.2 million was recognized in 2021. Credit losses were determined based upon an analysis of the present value of contractual cash flows expected to be collected from the underlying collateral as compared to the amortized cost basis of the security.

Level 3 Recurring Fair Values

The following table presents changes in recurring Level 3 fair value assets held for disposition. Realized and unrealized gains (losses) are included in AOCI for AFS debt securities, other gain (loss) for loans receivable and equity method losses for equity method investments, all of which are presented in discontinued operations (Note 12).

(In thousands)	Fair Value Option		
	AFS Debt Securities Held for Disposition	Loans Held for Disposition	Equity Method Investments Held for Disposition
Fair value at December 31, 2020	\$ 28,576	\$ 1,258,539	\$ 153,259
Purchases, drawdowns, contributions and accretion	11,120	19,070	8
Paydowns, distributions and sales	(2,063)	(436,424)	(8,954)
Change in accrued interest and capitalization of paid-in-kind interest	—	10,506	—
Allowance for credit losses	(194)	—	—
Realized and unrealized losses in earnings, net	—	(91,324)	(22,106)
Deconsolidation of investment entities (Note 21)	—	(330,394)	—
Other	—	(7,088)	—
Other comprehensive income (loss) ⁽¹⁾	(331)	(35,222)	(6,454)
Fair value at September 30, 2021	\$ 37,108	\$ 387,663	\$ 115,753
Net unrealized gains (losses) on instruments held at September 30, 2021			
In earnings	\$ —	\$ (91,849)	\$ (23,031)
In other comprehensive loss	\$ (331)	N/A	N/A
Fair value at December 31, 2021	\$ 36,531	\$ 55,878	\$ 79,309
Purchases, drawdowns, contributions and accretion	195	—	—
Paydowns, distributions and sales	(36,726)	(54,490)	(903)
Change in accrued interest and capitalization of paid-in-kind interest	—	(1,013)	—
Realized and unrealized losses in earnings, net	—	(375)	(7,155)
Other comprehensive loss ⁽¹⁾	—	—	(11,646)
Fair value at September 30, 2022	\$ —	\$ —	\$ 59,605
Net unrealized gains (losses) on instruments held at September 30, 2022			
In earnings	\$ —	\$ —	\$ (7,155)
In other comprehensive loss	\$ —	N/A	N/A

⁽¹⁾ Amounts recorded in OCI for loans receivable and equity method investments represent foreign currency translation of the Company's foreign subsidiaries that hold the respective foreign currency denominated investments.

12. Discontinued Operations

Discontinued operations represent the following:

- *Wellness Infrastructure*—operations of the Wellness Infrastructure business, along with other non-core assets held by NRF Holdco prior to the sale of 100% of the equity of NRF Holdco in February 2022. The non-core assets held by NRF Holdco were composed primarily of: (i) the Company's equity interest in and management of NorthStar Healthcare Income, Inc., debt securities collateralized largely by certain debt and preferred equity within the capital structure of the Wellness Infrastructure portfolio, limited partner interests in private equity real estate funds; as well as (ii) the 5.375% exchangeable senior notes, trust preferred securities and corresponding junior subordinated debt, all of which were issued by NRF Holdco who acts as guarantor.

The sales price for 100% of the equity of NRF Holdco was \$281 million, composed of \$126 million cash and a \$155 million unsecured promissory note (the "Seller Note"). In addition, NRF Holdco distributed approximately \$35 million of cash to the Company prior to closing. The Seller Note, which is classified as held for investment and carried at fair value under the fair value option, matures five years from closing of the sale, accruing paid-in-kind interest at 5.35% per annum. The sale included the acquirer's assumption of \$2.57 billion of consolidated investment level debt on various healthcare portfolios in which the Company owned between 69.6% and 81.3%, and \$293.7 million of debt at NRF Holdco.

- *Other*—operations of substantially all of the Company's OED investments and Other IM business that were previously in the Other segment prior to sale of the Company's equity interests and subsequent deconsolidation of these subsidiaries in December 2021, for which the Company received cash consideration of \$443.4 million, net of closing adjustments of \$31.2 million. The OED investments and Other IM business are composed of various non-digital real estate, real estate-related equity and debt investments, general partner interests and management rights with respect to these assets, and underlying compensation and administrative costs for managing these assets. Also included in discontinued operations are the economics related to the management of BRSP prior to termination of its management contract, which had resulted in a one-time termination payment of \$102.3 million in April 2021.
- *Hotel*—operations of the Company's Hospitality segment and the THL Hotel Portfolio that was previously in the Other segment. In March 2021, the Company sold 100% of the equity in its hotel subsidiaries holding five of the six portfolios in the Hospitality segment, and the Company's 55.6% interest in the THL Hotel Portfolio which was deconsolidated upon sale. The remaining hotel portfolio that was in receivership was sold by the lender in September 2021.

Income (loss) from discontinued operations is presented below.

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues				
Property operating income	\$ —	\$ 196,302	\$ 69,202	\$ 607,172
Interest income	8	4,469	1,073	17,703
Fee income	2,073	12,248	8,280	46,348
Other income	4,294	5,437	10,103	23,963
Revenues from discontinued operations	6,375	218,456	88,658	695,186
Expenses				
Property operating expense	—	114,593	36,669	391,418
Interest expense	—	50,376	112,947	216,812
Transaction-related costs and investment expense	4,479	11,800	19,682	29,856
Depreciation and amortization	—	8,909	2,339	91,673
Impairment loss	—	(8,210)	35,985	358,137
Compensation and administrative expense	3,122	21,901	37,614	74,617
Expenses from discontinued operations	7,601	199,369	245,236	1,162,513
Other income (loss)				
Gain on sale of real estate	—	514	—	49,232
Other gain, net	7,379	98,286	7,769	40,262
Equity method earnings (losses)	(24,010)	(125,565)	2,675	(189,824)
Loss from discontinued operations before income taxes	(17,857)	(7,678)	(146,134)	(567,657)
Income tax expense	(8,532)	(2,751)	(2,424)	(22,938)
Loss from discontinued operations	(26,389)	(10,429)	(148,558)	(590,595)
Income (loss) from discontinued operations attributable to:				
Noncontrolling interests in investment entities	(10,227)	(85,741)	(16,016)	(346,205)
Noncontrolling interests in Operating Company	(1,156)	7,177	(10,433)	(23,354)
Income (loss) from discontinued operations attributable to DigitalBridge Group, Inc.	\$ (15,006)	\$ 68,135	\$ (122,109)	\$ (221,036)

13. Fair Value

Recurring Fair Values

Financial assets and financial liabilities carried at fair value on a recurring basis include financial instruments for which the fair value option was elected, but exclude financial assets under the NAV practical expedient. Fair value is categorized into a three tier hierarchy that is prioritized based upon 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.

Marketable Equity Securities

Marketable equity securities with long positions of \$150.0 million at September 30, 2022 and \$201.9 million at December 31, 2021 (Note 5) and short positions of \$35.1 million at September 30, 2022 and \$38.0 million at December 31, 2021, included in other liabilities (Note 7), consist of publicly traded equity securities held largely by private open-end funds sponsored and consolidated by the Company. The equity securities of the consolidated funds comprise listed stocks primarily in the U.S. and to a lesser extent, in Europe, and predominantly in the technology, media and telecommunications sectors. These marketable equity securities are valued based upon listed prices in active markets and classified as Level 1 of the fair value hierarchy.

Debt Securities

At September 30, 2022, the CLO subordinated notes were carried at their recently issued price of \$50.9 million (Note 5), classified as Level 3 of the fair value hierarchy.

Equity Investment of Consolidated Fund

A consolidated fund, investing alongside other affiliated managed funds, holds an indirect investment in a portfolio of loans. The investment has a fair value of \$11.2 million at September 30, 2022, classified as Level 3 of the fair value hierarchy. Fair value was determined based upon discounted cash flow projections of distributions of principal and interest expected to be collected from the underlying loans, which include, but are not limited to, consideration of the financial standing and operating results of the borrowers, and applying a discount rate of 11.1%.

Derivatives

The Company's derivative instruments generally consist of: (i) foreign currency put options, forward contracts and costless collars to hedge the foreign currency exposure of certain foreign-denominated investments or investments in foreign subsidiaries (in GBP and EUR), with notional amounts and termination dates based upon the anticipated return of capital from these investments; and (ii) interest rate caps and swaps to limit the exposure to changes in interest rates on various floating rate debt obligations (indexed to LIBOR or Euribor). These derivative contracts may be designated as qualifying hedge accounting relationships, specifically as net investment hedges and cash flow hedges, respectively.

Fair values were \$30.8 million at September 30, 2022 and \$0.9 million at December 31, 2021 for derivative assets, included in other assets, and \$12.5 million at September 30, 2022 for derivative liabilities (Note 18), included in other liabilities. The Company did not have any derivatives in a liability position at December 31, 2021. At September 30, 2022, \$12.7 million of the derivative asset represents a net investment hedge, while all other derivative positions in both periods were non-designated hedges. Derivative notional amounts aggregated to the equivalent of \$588.0 million at September 30, 2022 and \$182.3 million at December 31, 2021 for foreign exchange contracts, and \$210.7 million at September 30, 2022 and \$2.0 billion at December 31, 2021 for interest rate contracts.

The derivative instruments are subject to master netting arrangements with counterparties that allow the Company to offset the settlement of derivative assets and liabilities in the same currency by instrument type or, in the event of default by the counterparty, to offset all derivative assets and liabilities with the same counterparty. 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.

Realized and unrealized gains and losses on derivative instruments are recorded in other gain (loss) on the consolidated statement of operations, other than interest expense, as follows:

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Foreign currency contracts:				
<i>Designated contracts</i>				
Realized gain transferred from AOCI to earnings	\$ 8,367	\$ —	\$ 8,367	\$ 1,520
<i>Non-designated contracts</i>				
Realized and unrealized gain (loss) in earnings ⁽¹⁾	(8,689)	1,457	(3,619)	1,129
Interest rate contracts:				
<i>Designated contracts</i>				
Interest expense ⁽²⁾	—	—	—	20
Realized loss transferred from AOCI to earnings	—	—	—	(1,328)
<i>Non-designated contracts</i>				
Realized and unrealized gain (loss) in earnings	10,258	(13)	11,284	(248)

⁽¹⁾ In 2022, includes unrealized loss on foreign currency contract entered into on behalf of sponsored fund, which has no net impact to the Company's earnings, as discussed in Note 18.

⁽²⁾ Represents amortization of the cost of designated interest rate caps to interest expense based upon expected hedged interest payments on variable rate debt.

The Company's foreign currency and interest rate contracts 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 the derivatives. As a result, derivative valuations in their entirety are classified as Level 2 of the fair value hierarchy.

Warrants

As discussed in Note 10, the Company issued five warrants to Wafra. Each warrant entitles Wafra to purchase up to 1,338,000 shares of the Company's class A common stock at staggered strike prices between \$9.72 and \$24.00 each, exercisable through July 17, 2026. No warrants have been exercised to-date.

The warrants are carried at fair value effective May 2022 when they were reclassified from equity to liability, with subsequent changes in fair value recorded in earnings. At September 30, 2022, the warrants, classified as Level 3 fair value, were valued at \$24.0 million using a Black-Scholes option pricing model, applying the following inputs: (a) estimated volatility for DBRG's class A common stock of 39.4%; (b) closing stock price of DBRG's class A common stock at September 30, 2022 of \$12.51 per share; (c) the strike price for each warrant; (d) remaining term to expiration of the warrants; and (e) risk free rate of 4.16% per annum, derived from the daily U.S. Treasury yield curve rates to correspond to the remaining term to expiration of the warrants. Fair value of the warrants decreased \$57.4 million from its initial remeasurement in May 2022, recorded in other gain on the consolidated statement of operations.

Settlement Liability

In March 2020, the Company entered into a cooperation agreement with Blackwells Capital LLC ("Blackwells"), a stockholder of the Company. Pursuant to the cooperation agreement, Blackwells agreed to a standstill in its proxy contest with the Company, and to abide by certain voting commitments, including a standstill with respect to the Company until the expiration of the agreement in March 2030 and voting in favor of the Board of Directors' recommendations until the third anniversary of the agreement.

Contemporaneously, the Company and Blackwells entered into a joint venture arrangement for the purpose of acquiring, holding and disposing of the Company's class A common stock. Pursuant to the arrangement, the Company contributed its class A common stock, valued at \$14.7 million by the venture, and Blackwells contributed \$1.47 million of cash that was then distributed to the Company, resulting in a net capital contribution of \$13.23 million by the Company in the venture. All of the class A common stock held in the venture was repurchased by the Company in March 2020 (Note 9). Distributions from the joint venture arrangement upon dissolution effectively represent a settlement of the proxy contest with Blackwells. The initial fair value of the arrangement was recorded as a settlement loss on the statement of operations in March 2020, with a corresponding liability on the balance sheet, subject to remeasurement at each period end. The settlement liability represents the fair value of the disproportionate allocation of profits distribution to Blackwells.

pursuant to the joint venture arrangement. The profits are derived from dividend payments and appreciation in value of the Company's class A common stock, allocated between the Company and Blackwells based upon specified return hurdles.

In June 2021, Blackwells terminated the arrangement and the joint venture was dissolved. The profits distribution allocated to Blackwells was valued at \$47.0 million and paid in the form of 1.49 million shares of the Company's class A common stock, with \$22.8 million recognized in 2021 through termination as other loss on the consolidated statement of operations.

Fair Value Option

The following discussion excludes loans receivable and equity method investments held for disposition which are addressed in Note 11.

Loans Receivable

Loans receivable held for investment are carried at fair value under the fair value option. At September 30, 2022, fair value of loans held for investment totaled \$174.4 million, with unpaid principal balance of \$198.6 million, classified as Level 3 (at December 31, 2021, \$173.9 million of loans at fair value, with unpaid principal balance of \$172.4 million, of which \$91.0 million was classified as Level 2 and \$82.9 million as Level 3 of the fair value hierarchy).

Fair value of Level 3 loans held for investment were determined based upon discounted cash flow projections of principal and interest expected to be collected, which include, but are not limited to, consideration of the financial standing and operating results of the borrower, and applying discount rates ranging between 10.0% to 10.9% at September 30, 2022 and 8.9% to 10.0% at December 31, 2021. Level 2 loans held for investment at December 31, 2021 represent bank syndicated loans for which fair value was obtained from a reputable pricing service and was based upon quotations from dealers who act as market makers for these loans. The Level 2 loans have been securitized into a third party sponsored CLO in the third quarter of 2022 (Note 5).

There were no loans that were 90 days or more past due as to principal or interest at September 30, 2022 and December 31, 2021. As of September 30, 2022, one loan with fair value of \$5.1 million and unpaid principal balance of \$5.8 million has been placed on nonaccrual.

Equity Method Investments

At September 30, 2022 and December 31, 2021, there were no equity method investments under the fair value option other than investments held for disposition (Note 11). One equity method investment that was under the fair value option is accounted for as a marketable equity security beginning May 2021 following a merger of the investee into a special purpose acquisition company.

The following table presents changes in recurring Level 3 fair value assets held for investment. Realized and unrealized gains (losses) are included in other gain (loss) for loans receivable and equity method earnings (losses) for equity method investments.

(In thousands)	Fair Value Option			
	AFS Debt Securities	Loans Held for Investment	Equity Method Investments	Equity Investment of Consolidated Fund
Fair value at December 31, 2020	\$ —	\$ 36,798	\$ 28,540	\$ —
Purchases, originations, drawdowns and contributions	—	61,026	—	—
Paydowns, distributions and sales	—	(78)	(9,174)	—
Change in accounting method for equity interest	—	—	(27,626)	—
Change in accrued interest and capitalization of paid-in-kind interest	—	1,053	—	—
Realized and unrealized gain (loss) in earnings, net	—	(436)	8,260	—
Fair value at September 30, 2021	<u>\$ —</u>	<u>\$ 98,363</u>	<u>\$ —</u>	<u>\$ —</u>
Net unrealized gain in earnings on instruments held at September 30, 2021	<u>\$ —</u>	<u>\$ 18</u>	<u>\$ —</u>	<u>\$ —</u>
Fair value at December 31, 2021	\$ —	\$ 82,930	\$ —	\$ —
Purchases, originations, drawdowns and contributions	50,927	371,415	—	—
Paydowns, distributions and sales	—	(159,501)	—	—
Transfer of warehoused loans to sponsored fund	—	(83,083)	—	—
Consolidation of sponsored fund	—	—	—	10,536
Change in accrued interest and capitalization of paid-in-kind interest	—	4,491	—	—
Realized and unrealized gain (loss) in earnings, net	—	(41,863)	—	673
Fair value at September 30, 2022	<u>\$ 50,927</u>	<u>\$ 174,389</u>	<u>\$ —</u>	<u>\$ 11,209</u>
Net unrealized gain (loss) in earnings on instruments held at September 30, 2022	<u>\$ —</u>	<u>\$ (38,649)</u>	<u>\$ —</u>	<u>\$ 673</u>

Investment Carried at Fair Value Using Net Asset Value

The Company has an investment in a non-traded healthcare REIT of \$45.5 million at September 30, 2022 and \$44.6 million at December 31, 2021, with no commitment for any further investment in the future. The investment is valued based upon NAV beginning October 2021 when the investee, a healthcare real estate investor/manager, was acquired in conjunction with a merger of its co-sponsored non-traded REITs. The transaction diluted the Company's equity interest in the investee, which was previously accounted for as an equity method investment. Redemption of the Company's partnership interest in the non-traded healthcare REIT is restricted until the earliest of (1) the second anniversary of the issuance to the Company of such partnership units, (2) change in control of the general partner, and (3) initial public offering of the equity of the non-traded healthcare REIT, which may be subject to further restriction on redemption by the underwriters.

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 disposition or otherwise, write-down of asset values due to impairment. Impairment is discussed in Note 5 for equity investments and Note 11 for assets held for disposition.

Fair Value of Financial Instruments Reported at Cost

Fair value of financial instruments reported at amortized cost, excluding those held for disposition, are presented below.

(In thousands)	Fair Value Measurements				Carrying Value
	Level 1	Level 2	Level 3	Total	
<u>September 30, 2022</u>					
Liabilities					
Debt at amortized cost					
Secured fund fee revenue notes	\$ —	\$ 250,547	\$ —	\$ 250,547	\$ 291,648
Convertible and exchangeable senior notes	388,750	—	—	388,750	276,411
Investment-level secured debt	—	3,204,921	1,133,868	4,338,789	4,757,556
<u>December 31, 2021</u>					
Liabilities					
Debt at amortized cost					
Secured fund fee revenue notes	\$ —	\$ —	\$ 291,394	\$ 291,394	\$ 291,394
Convertible and exchangeable senior notes	716,970	—	—	716,970	334,264
Investment-level secured debt	—	3,598,655	655,270	4,253,925	4,234,744

Debt—Senior notes and secured fund fee revenue notes were valued using their last traded price. Fair value of investment-level debt were estimated by either discounting expected future cash outlays at interest rates available to the respective borrower subsidiaries for similar instruments or for securitized debt, based upon indicative bond prices quoted by brokers in the secondary market.

Other—The carrying values of cash and cash equivalents, accounts receivable, due from and to affiliates, interest payable and accounts payable generally approximate fair value due to their short term nature, and credit risk, if any, is negligible.

14. Variable Interest Entities

A VIE is an entity that lacks sufficient equity to finance its activities without additional subordinated financial support from other parties, or whose equity holders lack the characteristics of a controlling financial interest. The following discusses the Company's involvement with VIEs where the Company is the primary beneficiary and consolidates the VIEs or where the Company is not the primary beneficiary and does not consolidate the VIEs.

Operating Subsidiary

The Company's operating subsidiary, 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 OP, acts as the managing member of OP and exercises full responsibility, discretion and control over the day-to-day management of OP. The noncontrolling interests in 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 OP to be a VIE. The Company, as managing member, has the power to direct the core activities of OP that most significantly affect OP's performance, and through its majority interest in OP, has both the right to receive benefits from and the obligation to absorb losses of OP. Accordingly, the Company is the primary beneficiary of OP and consolidates OP. As the Company conducts its business and holds its assets and liabilities through OP, the total assets and liabilities of OP represent substantially all of the total consolidated assets and liabilities of the Company.

Company-Sponsored Private Funds

The Company sponsors private funds and other investment vehicles as general partner for the purpose of providing investment management services in exchange for management fees and carried interest. These private funds are established as limited partnerships or equivalent structures. Limited partners of the private funds do not have either substantive liquidation rights, or substantive kick-out rights without cause, or substantive participating rights that could be exercised by a simple majority of limited partners or by a single limited partner. Accordingly, the absence of such rights, which represent voting rights in a limited partnership, results in the private funds being considered VIEs. The nature of the Company's involvement with its sponsored funds comprise fee arrangements and general partner and limited partner equity interests. The fee arrangements are commensurate with the level of management services provided by the Company, and contain terms and conditions that are customary to similar at-market fee arrangements.

Consolidated Company-Sponsored Private Funds—The Company currently consolidates sponsored private funds in which it has more than an insignificant equity interest in the fund as general partner. As a result, the Company is considered to be acting in the capacity of a principal of the sponsored private fund and is therefore the primary beneficiary of the fund. The Company's exposure is limited to the value of its outstanding investment in the consolidated private funds of \$46.5 million at September 30, 2022 and \$53.1 million at December 31, 2021. The Company, as general partner, is not obligated to provide any financial support to the consolidated private funds. At September 30, 2022 and December 31, 2021, the consolidated private funds had total assets of \$228.8 million and \$230.6 million, respectively, and total liabilities of \$87.0 million and \$63.0 million, respectively, made up primarily of cash, marketable equity securities, unsettled trades, other equity investment and debt.

Unconsolidated Company-Sponsored Private Funds—The Company does not consolidate its sponsored private funds where it has insignificant direct equity interests or capital commitments to these funds as general partner. The Company may invest alongside certain of its sponsored private funds through joint ventures between the Company and these funds, or the Company may have capital commitments to its sponsored private funds that are satisfied directly through the co-investment joint ventures as an affiliate of the general partner. In these instances, the co-investment joint ventures are consolidated by the Company. As the Company's direct equity interests in its sponsored private funds as general partner absorb insignificant variability, the Company is considered to be acting in the capacity of an agent of these funds and is therefore not the primary beneficiary of these funds. The Company accounts for its equity interests in unconsolidated sponsored private funds under the equity method. The Company's maximum exposure to loss is limited to the carrying value of its investment in the unconsolidated sponsored private funds, totaling \$499.6 million at September 30, 2022 and \$382.7 million at December 31, 2021, included in equity investments, and \$1.1 million at September 30, 2022 and \$45.4 million at December 31, 2021, included within assets held for disposition.

Securitizations

The Company previously securitized loans receivable and CRE debt securities using VIEs. Upon securitization, the Company had retained beneficial interests in the securitization vehicles, usually in the form of equity tranches or subordinate securities. The securitization vehicles were structured as pass-through entities that receive principal and interest on the underlying loans or debt securities and distribute those payments to the holders of the notes, certificates or bonds issued by the securitization vehicles. The loans and debt securities were transferred into securitization vehicles such that these assets were restricted and legally isolated from the creditors of the Company, and therefore were not available to satisfy the Company's obligations but only the obligations of the securitization vehicles. The obligations of the securitization vehicles did not have any recourse to the general credit of the Company and its other subsidiaries.

The Company also acquired securities issued by securitization trusts that are VIEs.

Unconsolidated Securitizations—The Company does not consolidate the assets and liabilities of CLOs or CDOs in which the Company has an interest but does not retain the collateral management function. The Company's exposure to loss is limited to its investment in these CLOs of \$50.9 million at September 30, 2022, or CDOs of \$30.2 million at December 31, 2021, previously presented as debt securities within assets held for disposition prior to disposition of the CDOs in February 2022 (Note 11).

Trusts

Prior to the sale of NRF Holdco in February 2022, wholly-owned subsidiaries of NRF Holdco that were formed as statutory trusts, NorthStar Realty Finance Trust I through VIII (the "Trusts"), previously issued trust preferred securities ("TruPS") in private placement offerings and used the proceeds to purchase junior subordinated notes to evidence loans made to NRF Holdco. The sole assets of the Trusts consisted of a like amount of junior subordinated notes issued by the Issuer at the time of the offerings (the "Junior Notes"). Neither the Company nor the OP was an obligor or guarantor on the Junior Notes or the TruPS.

The Company had owned all of the common stock of the Trusts but did not consolidate the Trusts as the holders of the preferred securities issued by the Trusts were the primary beneficiaries of the Trusts. The Company had accounted for its interest in the Trusts under the equity method and its maximum exposure to loss was limited to its investment carrying value of \$3.7 million at December 31, 2021. The Trusts were recorded as equity investments and the junior subordinated notes as debt, both previously classified as held for disposition (Note 11).

15. Earnings per Share

The following table provides the basic and diluted earnings per common share computations.

(In thousands, except per share data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net income (loss) allocated to common stockholders				
Loss from continuing operations	\$ (94,598)	\$ (40,935)	\$ (384,194)	\$ (183,451)
Loss from continuing operations attributable to noncontrolling interests	60,516	34,157	189,096	96,810
Loss from continuing operations attributable to DigitalBridge Group, Inc.	(34,082)	(6,778)	(195,098)	(86,641)
Income (loss) from discontinued operations attributable to DigitalBridge Group, Inc.	(15,006)	68,135	(122,109)	(221,036)
Preferred stock repurchases/redemptions (Note 9)	1,098	(2,865)	1,098	(2,865)
Preferred dividends	(15,283)	(17,456)	(46,801)	(54,488)
Net income (loss) attributable to common stockholders	(63,273)	41,036	(362,910)	(365,030)
Net income allocated to participating securities	(17)	(736)	(17)	—
Net income (loss) allocated to common stockholders—basic	(63,290)	40,300	(362,927)	(365,030)
Interest expense attributable to convertible and exchangeable notes ⁽¹⁾	—	—	—	—
Net income (loss) allocated to common stockholders—diluted	\$ (63,290)	\$ 40,300	\$ (362,927)	\$ (365,030)
Weighted average common shares outstanding				
Weighted average number of common shares outstanding—basic	162,398	121,458	153,028	120,041
Weighted average effect of dilutive shares ⁽¹⁾⁽²⁾⁽³⁾	—	—	—	—
Weighted average number of common shares outstanding—diluted	162,398	121,458	153,028	120,041
Income (loss) per share—basic				
Loss from continuing operations	\$ (0.30)	\$ (0.23)	\$ (1.57)	\$ (1.20)
Income (loss) from discontinued operations	(0.09)	0.56	(0.80)	(1.84)
Net income (loss) attributable to common stockholders per common share—basic	\$ (0.39)	\$ 0.33	\$ (2.37)	\$ (3.04)
Income (loss) per share—diluted				
Loss from continuing operations	\$ (0.30)	\$ (0.23)	\$ (1.57)	\$ (1.20)
Income (loss) from discontinued operations	(0.09)	0.56	(0.80)	(1.84)
Net income (loss) attributable to common stockholders per common share—diluted	\$ (0.39)	\$ 0.33	\$ (2.37)	\$ (3.04)

⁽¹⁾ With respect to the assumed conversion or exchange of the Company's outstanding senior notes, the following are excluded from the calculation of diluted earnings per share as their inclusion would be antidilutive: (a) for the three months ended September 30, 2022 and 2021, the effect of adding back \$4.0 million and \$7.6 million of interest expense, respectively, and 11,698,000 and 36,064,800 of weighted average dilutive common share equivalents, respectively; and (b) for the nine months ended September 30, 2022 and 2021, the effect of adding back \$133.2 million of debt extinguishment loss (Note 8) and \$12.7 million of interest expense, and \$23.3 million of interest expense, respectively, and 13,307,000 and 36,090,900 of weighted average dilutive common share equivalents, respectively.

⁽²⁾ The calculation of diluted earnings per share excludes the effect of the following as their inclusion would be antidilutive: (a) class A common shares that are contingently issuable in relation to performance stock units (Note 17) with weighted average shares of 1,076,000 and 2,472,800 for the three months ended September 30, 2022 and 2021, respectively, and 1,727,000 and 2,792,700 for the nine months ended September 30, 2022 and 2021, respectively; and (b) class A common shares that are issuable to net settle the exercise of warrants (Note 10) with weighted average shares of 1,393,000 and 2,725,900 for the three months ended September 30, 2022 and 2021, respectively, and 2,174,000 and 2,527,800 for the nine months ended September 30, 2022 and 2021, respectively.

⁽³⁾ OP Units may be redeemed for registered or unregistered class A common stock on a one-for-one basis and are not dilutive. At September 30, 2022 and 2021, 12,629,000 and 12,988,800 of OP Units, respectively, were not included in the computation of diluted earnings per share in the respective periods presented.

16. Fee Income

The Company's digital investment management platform manages capital on behalf of a diverse, global investor base, including but not limited to, sovereign wealth funds, public and private pensions, asset managers, insurance companies, and endowments, for which the Company earns fee income.

The following table presents the Company's fee income by type, excluding amounts classified as discontinued operations (Note 12).

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Management fees	\$ 40,697	\$ 47,719	\$ 126,447	\$ 115,185
Incentive fees	—	1,313	2	6,396
Other fees	566	1,194	1,969	3,245
Total fee income	<u>\$ 41,263</u>	<u>\$ 50,226</u>	<u>\$ 128,418</u>	<u>\$ 124,826</u>

Management Fees—The Company earns management fees for providing investment management services to its sponsored private funds and other investment vehicles, portfolio companies and managed accounts. Management fees are calculated generally at annual rates ranging from 0.2% to 1.5% of investors' committed capital during the commitment period of the vehicle, and thereafter, contributed or invested capital; or net asset value for vehicles in the liquid securities strategy.

Incentive Fees—The Company is entitled to incentive fees from sub-advisory accounts in its liquid securities strategy. Incentive fees are determined based upon the performance of the respective accounts, subject to the achievement of specified return thresholds in accordance with the terms set out in their respective governing agreements. A portion of the incentive fees earned by the Company is allocable to senior management, investment professionals, and certain other employees of the Company, included in carried interest and incentive fee compensation expense.

Other Fee Income—Other fees include primarily service fees for information technology, facilities and operational support provided to portfolio companies.

17. Equity-Based Compensation

The DigitalBridge Group, Inc. 2014 Omnibus Stock Incentive Plan (the "Equity Incentive Plan") provides for the grant of restricted stock, performance stock units ("PSUs"), Long Term Incentive Plan ("LTIP") units, restricted stock units ("RSUs"), deferred stock units ("DSUs"), options, warrants or rights to purchase shares of the Company's common stock, cash incentives and other equity-based awards to the Company's officers, directors (including non-employee directors), employees, co-employees, consultants or advisors of the Company or of any parent or subsidiary who provides services to the Company. Shares reserved for the issuance of awards under the Equity Incentive Plan are subject to equitable adjustment upon the occurrence of certain corporate events, provided that this number automatically increases each January 1st by 2% of the outstanding number of shares of the Company's class A common stock on the immediately preceding December 31st. At September 30, 2022, an aggregate 21.3 million shares of the Company's class A common stock were reserved for the issuance of awards under the Equity Incentive Plan.

Restricted Stock—Restricted stock awards in the Company's class A common stock are granted to senior executives, directors and certain employees, generally subject to a service condition only, with annual time-based vesting in equal tranches over a three-year period. Restricted stock is entitled to dividends declared and paid on the Company's class A common stock and such dividends are not forfeitable prior to vesting of the award. Restricted stock awards are valued based on the Company's class A common stock price on grant date and equity-based compensation expense is recognized on a straight-line basis over the requisite service period.

Restricted Stock Units—RSUs in the Company's class A common stock are subject to a performance condition. Vesting of performance-based RSUs occur upon achievement of certain Company-specific metrics over a performance measurement period. Only vested RSUs are entitled to accrued dividends declared and paid on the Company's class A common stock during the time period the RSUs are outstanding. Fair value of RSUs are based on the Company's class A common stock price on grant date. Equity-based compensation expense is recognized when it becomes probable that the performance condition will be met.

Performance Stock Units—PSUs are granted to senior executives and certain employees, and are subject to both a service condition and a market condition. Following the end of the measurement period, the recipients of PSUs who remain employed will vest in, and be issued a number of shares of the Company's class A common stock, generally

ranging from 0% to 200% of the number of PSUs granted and determined based upon the performance of the Company's class A common stock relative to that of a specified peer group over a three-year measurement period (such measurement metric the "total shareholder return"). In addition, recipients of PSUs whose employment is terminated after the first anniversary of their PSU grant are eligible to vest in a portion of the PSU award following the end of the measurement period based upon achievement of the total shareholder return metric applicable to the award. PSUs also contain dividend equivalent rights which entitle the recipients to a payment equal to the amount of dividends that would have been paid on the shares that are ultimately issued at the end of the measurement period.

Fair value of PSUs, including dividend equivalent rights, was determined using a Monte Carlo simulation under a risk-neutral premise, with the following assumptions:

	2022 PSU Grants	2021 PSU Grants	2020 PSU Grants
Expected volatility of the Company's class A common stock ⁽¹⁾	32.4%	35.4%	34.1%
Expected annual dividend yield ⁽²⁾	0.0%	0.0%	9.3%
Risk-free rate (per annum) ⁽³⁾	2.0%	0.3%	0.4%

⁽¹⁾ Based upon the historical volatility of the Company's stock and those of a specified peer group.

⁽²⁾ Based upon the Company's expected annualized dividends. Expected dividend yield is zero for the 2022 and 2021 PSU awards as common dividends were suspended beginning the second quarter of 2020 through the second quarter of 2022.

⁽³⁾ Based upon the continuously compounded zero-coupon U.S. Treasury yield for the term coinciding with the remaining measurement period of the award as of valuation date.

Fair value of PSU awards, excluding dividend equivalent rights, is recognized on a straight-line basis over their measurement period as compensation expense, and is not subject to reversal even if the market condition is not achieved. The dividend equivalent right is accounted for as a liability-classified award. The fair value of the dividend equivalent right is recognized as compensation expense on a straight-line basis over the measurement period, and is subject to adjustment to fair value at each reporting period.

LTIP Units—LTIP units are units in the Operating Company that are designated as profits interests for federal income tax purposes. Unvested LTIP units that are subject to market conditions do not accrue distributions. Each vested LTIP unit is convertible, at the election of the holder (subject to capital account limitation), into one common OP Unit and upon conversion, subject to the redemption terms of OP Units (Note 9).

LTIP units issued have either (1) a service condition only, valued based upon the Company's class A common stock price on grant date; or (2) both a service condition and a market condition based upon the Company's class A common stock achieving a target price over a predetermined measurement period, subject to continuous employment to the time of vesting, and valued using a Monte Carlo simulation.

The following assumptions were applied in the Monte Carlo model under a risk-neutral premise:

	2022 LTIP Grant	2019 LTIP Grant ⁽¹⁾
Expected volatility of the Company's class A common stock ⁽²⁾	34.0%	28.3%
Expected dividend yield ⁽³⁾	0.0%	8.1%
Risk-free rate (per annum) ⁽⁴⁾	3.6%	1.8%

⁽¹⁾ Represents 2.5 million LTIP units granted to the Company's Chief Executive Officer, Marc Ganzi, in connection with the Company's acquisition of Digital Bridge Holdings, LLC in July 2019, with vesting based upon achievement of the Company's class A common stock price closing at or above \$40 over any 90 consecutive trading days prior to the fifth anniversary of the grant date.

⁽²⁾ Based upon historical volatility of the Company's stock and those of a specified peer group.

⁽³⁾ Based upon the Company's most recently issued dividend prior to grant date and closing price of the Company's class A common stock on grant date. Expected dividend yield is zero for the 2022 award as common dividends were suspended beginning the second quarter of 2020 through the second quarter of 2022.

⁽⁴⁾ Based upon the continuously compounded zero-coupon US Treasury yield for the term coinciding with the measurement period of the award as of valuation date.

Equity-based compensation cost on LTIP units is recognized on a straight-line basis either over (1) the service period for awards with a service condition only; or (2) the derived service period for awards with both a service condition and a market condition, irrespective of whether the market condition is satisfied. The derived service period is a service period that is inferred from the application of the simulation technique used in the valuation of the award, and represents the median of the terms in the simulation in which the market condition is satisfied.

Deferred Stock Units—Certain non-employee directors may elect to defer the receipt of annual base fees and/or restricted stock awards, and in lieu, receive awards of DSUs. DSUs awarded in lieu of annual base fees are fully vested on their grant date, while DSUs awarded in lieu of restricted stock awards vest one year from their grant date. DSUs are entitled to a dividend equivalent, in the form of additional DSUs based on dividends declared and paid on the Company's class A common stock, subject to the same restrictions and vesting conditions, where applicable. Upon separation of service from the Company, vested DSUs will be settled in shares of the Company's class A common stock. Fair value of DSUs are determined based on the price of the Company's class A common stock on grant date and recognized immediately if fully vested upon grant, or on a straight-line basis over the vesting period as equity based compensation expense and equity.

Equity-based compensation expense, excluding amounts related to businesses presented as discontinued operations (Note 12), is as follows. Separately, additional compensation expense was also recorded in connection with the DataBank recapitalization transaction, as described in Note 10.

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Compensation expense (including \$16, \$50, \$229 and \$1,164 related to dividend equivalent rights)	\$ 8,576	\$ 6,914	\$ 27,226	\$ 30,593

Changes in the Company's unvested equity awards are summarized below, after giving effect to the Company's one-for-four reverse stock split in August 2022.

	Restricted Stock	LTIP Units ⁽¹⁾	DSUs	RSUs ⁽²⁾	PSUs ⁽³⁾	Total	Weighted Average Grant Date Fair Value	
							PSUs	All Other Awards
Unvested shares and units at December 31, 2021	2,047,566	2,615,314	25,437	2,397,391	2,621,850	9,707,558	\$ 14.74	\$ 10.05
Granted	1,098,185	125,000	54,217	—	185,674	1,463,076	30.48	25.05
Vested	(1,428,765)	(115,314)	(59,616)	—	(382,589)	(1,986,284)	17.48	18.04
Forfeited	(29,418)	—	—	—	(535,348)	(564,766)	7.31	26.02
Unvested shares and units at September 30, 2022	1,687,568	2,625,000	20,038	2,397,391	1,889,587	8,619,584	17.84	10.92

⁽¹⁾ Represents the number of LTIP units granted subject to vesting upon achievement of market condition. LTIP units that do not meet the market condition within the measurement period will be forfeited.

⁽²⁾ Represents the number of RSUs granted subject to vesting upon achievement of performance condition. RSUs that do not meet the performance condition at the end of the measurement period will be forfeited.

⁽³⁾ Number of PSUs granted does not reflect potential increases or decreases that could result from the final outcome of the total shareholder return measured at the end of the performance period. PSUs for which the total shareholder return was not met at the end of the performance period are forfeited.

Fair value of equity awards that vested, determined based upon their respective fair values at vesting date, was \$4.2 million and \$7.5 million for the three months ended September 30, 2022 and 2021, respectively, and \$53.3 million and \$61.1 million for the nine months ended September 30, 2022 and 2021, respectively.

At September 30, 2022, aggregate unrecognized compensation cost for all unvested equity awards was \$41.8 million, which is expected to be recognized over a weighted average period of 2.1 years. This excludes \$25.1 million of unvested RSUs that are not currently probable of achieving their performance conditions and have a remaining performance measurement period of 1.6 years.

Awards Granted by Managed Companies

Prior to the termination of the Company's management agreement with BRSP on April 30, 2021, BRSP granted equity awards to the Company and certain of the Company's employees ("managed company awards") that typically vest over a three-year period, subject to service conditions. Generally, the Company granted the managed company awards that it received in its capacity as manager to its employees with substantially the same terms and service requirements. Such grants were made at the discretion of the Company, and the Company may consult with the board of directors or compensation committee of BRSP as to final allocation of awards to its employees.

Managed company awards granted to the Company, pending grant by the Company to its employees, are recognized based upon their fair value at grant date as other asset and other liability on the consolidated balance sheet. The deferred revenue liability is amortized into other income as the awards vest to the Company.

Managed company awards granted to employees, either directly or through the Company, are recorded as other asset and other liability, and amortized on a straight-line basis as equity-based compensation expense and as other income, respectively, as the awards vest to the employees. The other asset and other liability associated with managed company awards granted to employees are subject to adjustment to fair value at each reporting period, with changes reflected in equity-based compensation and other income, respectively.

The BRSP equity awards granted by the Company to its employees fully vested and accelerated upon termination of the management contract in April 2021. Equity-based compensation expense related to managed company awards was \$5.3 million in 2021, with a corresponding amount recognized in other income, all of which were reflected in discontinued operations (Note 12).

18. Transactions with Affiliates

Affiliates include (i) private funds and other investment vehicles that the Company manages or sponsors, and in which the Company may have an equity interest or co-invests with; (ii) the Company's investments in unconsolidated ventures; and (iii) directors, senior executives and employees of the Company (collectively, "employees").

Amounts due from and due to affiliates consist of the following, excluding amounts related to discontinued operations that are presented as assets held for disposition (Note 11):

<u>(In thousands)</u>	<u>September 30, 2022</u>	<u>December 31, 2021</u>
Due from Affiliates		
Investment vehicles, portfolio companies and unconsolidated ventures		
Fee income	\$ 34,751	\$ 41,859
Cost reimbursements and recoverable expenses	10,866	7,317
Derivative obligation	12,493	—
Employees and other affiliates	2,001	54
	<u>\$ 60,111</u>	<u>\$ 49,230</u>

Significant transactions with affiliates include the following:

Fee Income—Fee income earned from investment vehicles that the Company manages and/or sponsors, and may have an equity interest or co-investment, are presented in Note 16, except for amounts included within discontinued operations (Note 12) and assets held for disposition (Note 11). Substantially all fee income are from affiliates, other than fees from sub-advisory accounts.

Cost Reimbursements—The Company receives reimbursements related largely to costs incurred in performing investment due diligence for funds and other investment vehicles managed by the Company.

Such cost reimbursements, included in other income, totaled \$1.0 million and \$3.1 million for the three months ended September 30, 2022 and 2021, respectively, and \$5.7 million and \$4.6 million for the nine months ended September 30, 2022 and 2021, respectively.

Separately, reimbursements of direct and indirect operating costs for managing the operations of BRSP prior to termination of the BRSP management agreement in April 2021 are reflected in other income within discontinued operations (Note 12) and related receivable is reflected as amounts due from affiliates within assets held for disposition (Note 11).

Recoverable Expenses—The Company pays organization and offering costs associated with the formation and capital raising of investment vehicles sponsored by the Company, for which the Company recovers from these investment vehicles up to specified thresholds, as applicable.

Warehoused Investments—The Company may acquire and temporarily warehouse investments on behalf of prospective sponsored investment vehicles that are actively fundraising. The warehoused investments are transferred to the investment vehicle when sufficient third party capital, including debt, is raised. The Company is generally paid a fee by the investment vehicle, akin to an interest charge, typically calculated as a percentage of the acquisition price of the investment, to compensate the Company for its cost of holding the investment during the warehouse period. The terms of such arrangements may differ for each sponsored investment vehicle or by investment.

During the third quarter of 2022, the Company transferred three warehoused loans to its sponsored digital credit fund, with the transfer of one remaining loan expected to be completed in the fourth quarter of 2022. The Company's cost basis for the transferred loans totaled \$83.7 million.

Derivative Obligations of Sponsored Fund—In the third quarter of 2022, the Company, in its capacity as general partner and for the benefit of its sponsored fund, entered into foreign currency forward contracts to economically hedge the foreign currency exposure of an investment commitment of its sponsored fund (Note 13). The investment committee of the sponsored fund has ratified the fund's responsibility and obligation to assume all resulting liabilities and benefits from the foreign currency contracts effective from trade date through the date the contracts are novated to the fund. At September 30, 2022, the foreign currency contracts were in an unrealized loss position. The Company recorded a \$12.5 million receivable in due from affiliates to reflect the fund's obligation to assume the resulting liability from the foreign currency contracts, with a corresponding gain recorded in the consolidated income statement. Accordingly, there is no net effect to the Company's earnings resulting from these foreign currency contracts.

Digital Real Estate Acquisitions—Marc Ganzi, Chief Executive Officer of the Company, and Ben Jenkins, President and Chief Investment Officer of the Company, were former owners of Digital Bridge Holdings, LLC ("DBH") prior to its merger into the Company in July 2019. Messrs. Ganzi and Jenkins had retained their equity investments and general partner interests in the portfolio companies of DBH, which include DataBank and Vantage.

As a result of the personal investments made by Messrs. Ganzi and Jenkins in DataBank and Vantage SDC prior to the Company's acquisition of DBH, additional investments made by the Company in DataBank and Vantage SDC subsequent to their initial acquisitions may trigger future carried interest payments to Messrs. Ganzi and Jenkins upon the occurrence of future realization events. Such investments made by the Company include ongoing payments for the build-out of expansion capacity, including lease-up of the expanded capacity and existing inventory, in Vantage SDC (Note 3) and the acquisition of additional interest in DataBank from an existing investor in January 2022 (Note 10).

Carried Interest Allocation from Sponsored Investment Vehicles—With respect to investment vehicles sponsored by the Company for which Messrs. Ganzi and Jenkins are invested in their capacity as former owners of DBH, and not in their capacity as employees of the Company, any carried interest entitlement attributed to such investments by Messrs. Ganzi and Jenkins as general partner are not subject to continuing vesting provisions and do not represent compensatory arrangements to the Company. Such carried interest allocation to Messrs. Ganzi and Jenkins that are unrealized or realized but unpaid are included in noncontrolling interests on the balance sheet, in the amount of \$48.8 million at September 30, 2022 and \$20.8 million at December 31, 2021. Carried interest allocated is recorded as net income attributable to noncontrolling interests totaling \$13.8 million and \$18.3 million for the three months ended September 30, 2022 and 2021, respectively, and \$43.5 million and \$19.0 million for the nine months ended September 30, 2022 and 2021, respectively. Additionally, in connection with the DataBank recapitalization (Note 10), Messrs. Ganzi and Jenkins received realized carried interest in the form of equity interest in vehicles that invest in DataBank, of which \$86.1 million in aggregate is not deemed a compensatory arrangement. Such equity interest represent noncontrolling interests in DataBank. A portion of such equity interest was sold by Messrs. Ganzi and Jenkins in connection with the recapitalization transaction.

Investment in Managed Investment Vehicles—Subject to the Company's related party policies and procedures, senior management, investment professionals and certain other employees may invest on a discretionary basis in investment vehicles sponsored by the Company, either directly in the vehicle or indirectly through the general partner entity. These investments are generally not subject to management fees, but otherwise bear their proportionate share of other operating expenses of the investment vehicles. At September 30, 2022 and December 31, 2021, such investments in consolidated investment vehicles and general partner entities totaled \$15.7 million and \$19.5 million, respectively, reflected in redeemable noncontrolling interests and noncontrolling interests on the balance sheet. Their share of net income was \$0.4 million and \$0.6 million for the three months ended September 30, 2022 and 2021, respectively, and \$0.1 million and \$1.1 million for the nine months ended September 30, 2022 and 2021, respectively. These amounts are reflected in net income (loss) attributable to noncontrolling interests and exclude their share of carried interest allocation, which is reflected in compensation expense (reversal)—carried interest.

Aircraft—Pursuant to Mr. Ganzi's employment agreement, as amended, the Company has agreed to reimburse Mr. Ganzi for certain variable operational costs of business travel on a chartered or private jet (including any aircraft that Mr. Ganzi may partially or fully own), provided that the Company will not reimburse the allocable share (based on the number of passengers) of variable operational costs for any passenger on such flight who is not traveling on Company business. Additionally, the Company has also agreed to reimburse Mr. Ganzi for certain defined fixed costs of any aircraft owned by Mr. Ganzi. The fixed cost reimbursements will be made based on an allocable portion of an aircraft's annual budgeted fixed cash operating costs, based on the number of hours the aircraft will be used for business purposes. At least once a year, the Company will reconcile the budgeted fixed operating costs with the actual fixed operating costs of the aircraft, and the Company or Mr. Ganzi, as applicable, will make a payment for any difference. The Company reimbursed Mr. Ganzi \$0.7 million and \$0.5 million for the three months ended September 30, 2022 and 2021, respectively, and \$1.8 million and \$2.6 million for the nine months ended September 30, 2022 and 2021, respectively.

Advancement of Expenses—Effective April 1, 2021, Thomas J. Barrack stepped down as Executive Chairman of the Company and in July 2021, resigned as a member of the Company's Board of Directors. In October 2021, the Company entered into an Agreement Regarding Advancement of Certain Expenses ("Advancement Agreement") with Mr. Barrack, which is generally consistent with the Company's obligations and Mr. Barrack's rights regarding advancement of expenses under the terms of a January 2017 Indemnification Agreement between the Company and Mr. Barrack, and under the Company's Bylaws. The Advancement Agreement (a) memorializes the parties' disagreement as to the Company's obligations and Mr. Barrack's rights under the earlier Indemnification Agreement and the Bylaws, and (b) obligates Mr. Barrack to reimburse the Company for such advanced expenses under certain circumstances. Pursuant to the Advancement Agreement, the Company expensed \$7.5 million and \$17.2 million in the three and nine months ended September 30, 2022, respectively.

19. Segment Reporting

The Company conducts its business through two reportable segments as follows:

- *Digital Investment Management ("Digital IM")*—This business represents a leading global digital infrastructure investment platform, managing capital on behalf of a diverse base of global investors. The Company's flagship opportunistic strategy is conducted through its DigitalBridge Partners platform ("DBP") and separately capitalized vehicles, while other strategies, including digital credit, ventures and public equities, are conducted through other investment vehicles. The Company earns management fees, generally based on the amount of assets or capital managed in investment vehicles, and has the potential to earn incentive fees and carried interest based upon the performance of such investment vehicles, subject to achievement of minimum return hurdles. Earnings from our Digital IM segment were attributed 31.5% to Wafra through the end of May 2022 when Wafra's investment in the Digital IM business was redeemed by the Company (as discussed further in Note 10).
- *Digital Operating*—This business is composed of balance sheet equity interests in digital infrastructure and real estate operating companies, which generally earn rental income from providing use of digital asset space and/or capacity through leases, services and other agreements. The Company currently owns interests in two companies: DataBank, including zColo, an edge colocation data center business (DBRG ownership at 13.5% as of September 30, 2022, 20% as of December 31, 2021); and Vantage SDC, a stabilized hyperscale data center business (DBRG ownership at 13%). Both DataBank and Vantage are also portfolio companies managed under Digital IM for the equity interests owned by third party capital.

The Company's remaining investment activities and corporate level activities are presented as Corporate and Other.

- Other investment activities are composed of the Company's equity interests in: (i) digital investment vehicles, the largest of which is in the DBP flagship funds, and seed investments in various strategies such as digital liquid and digital credit; and (ii) remaining non-digital investments, primarily in BRSP. Outside of its general partner interests, the Company's other equity interests in its sponsored and/or managed digital investment vehicles are considered to be incidental to its digital investment management business. The primary economics to the Company are represented by fee income and carried interest as general partner and/or manager, rather than economics from its equity interest in the investment vehicles as a limited partner or equivalent. With respect to seed investments, these are not intended to be a long-term deployment of capital by the Company and are expected to be warehoused temporarily on the Company's balance sheet until sufficient third party capital has been raised. At this time, the remaining non-digital investments are not substantially available for immediate sale and are expected to be monetized over an extended period beyond the near term. These other investment activities generate largely equity method earnings or losses and to a lesser extent, revenues in the form of interest income or dividend income from warehoused investments and consolidated investment vehicles. Effective the third quarter of 2021, these activities are no longer presented separately as the Digital Other and Other segments, which is consistent with and reflects management's focus on its core digital operations and overall simplification of the Company's business. This change in segment presentation is reflected retrospectively.
- Corporate activities include corporate level cash and corresponding interest income, corporate level financing and related interest expense, corporate level transaction costs, costs in connection with unconsummated investments, income and expense related to cost reimbursement arrangements with affiliates, fixed assets for administrative use, compensation expense not directly attributable to reportable segments, corporate level administrative and overhead costs, and adjustments to eliminate intercompany fees. Costs which are directly attributable, or otherwise can be subjected to a reasonable and systematic allocation, have been allocated to each of the reportable segments. As segment results are presented before elimination of intercompany fees, elimination adjustment pertains to fee income earned by the Digital IM segment from third party capital in investment vehicles managed by the Company and consolidated within the Digital Operating segment and in Corporate and Other. Such adjustments amounted to \$0.8 million and \$1.6 million for the three months ended September 30, 2022 and

2021, respectively, and \$2.4 million and \$4.9 million for the nine months ended September 30, 2022 and 2021, respectively.

Segment Results of Operations

The following table summarizes results of operations of the Company's reportable segments, including selected income and expense items, reconciled to the consolidated statement of operations.

<u>(In thousands)</u>	<u>Digital Investment Management</u>	<u>Digital Operating</u>	<u>Corporate and Other</u>	<u>Total</u>
<u>Three Months Ended September 30, 2022</u>				
Total revenues	\$ 43,953	\$ 225,387	\$ 27,283	\$ 296,623
Property operating expense	—	100,051	5,936	105,987
Interest expense	2,953	40,770	9,309	53,032
Depreciation and amortization	5,369	130,663	9,562	145,594
Equity method earnings (losses), including carried interest	122,714	—	(53,398)	69,316
Income tax benefit (expense)	(1,263)	5	9,099	7,841
Income (loss) from continuing operations	46,065	(93,772)	(46,891)	(94,598)
Net income (loss) from continuing operations attributable to DigitalBridge Group, Inc.	24,233	(15,881)	(42,434)	(34,082)
Net loss from discontinued operations attributable to DigitalBridge Group, Inc.				(15,006)
Net loss attributable to DigitalBridge Group, Inc.				<u>\$ (49,088)</u>
<u>Three Months Ended September 30, 2021</u>				
Total revenues	\$ 53,796	\$ 194,966	\$ 3,412	\$ 252,174
Property operating expense	—	80,226	—	80,226
Interest expense	2,250	29,839	7,806	39,895
Depreciation and amortization	8,242	120,458	486	129,186
Equity method earnings, including carried interest	59,196	—	6,173	65,369
Income tax benefit (expense)	(3,089)	(1,922)	15,984	10,973
Income (loss) from continuing operations	39,272	(71,822)	(8,385)	(40,935)
Net income (loss) from continuing operations attributable to DigitalBridge Group, Inc.	16,870	(12,142)	(11,506)	(6,778)
Net income from discontinued operations attributable to DigitalBridge Group, Inc.				68,135
Net income attributable to DigitalBridge Group, Inc.				<u>\$ 61,357</u>

(In thousands)	Digital Investment Management	Digital Operating	Corporate and Other	Total
Nine Months Ended September 30, 2022				
Total revenues	\$ 134,961	\$ 655,596	\$ 52,934	\$ 843,491
Property operating expense	—	278,798	8,482	287,280
Interest expense	8,240	114,187	21,023	143,450
Depreciation and amortization	16,020	399,371	14,122	429,513
Equity method earnings (losses), including carried interest	203,447	—	(7,797)	195,650
Income tax benefit (expense)	(5,643)	174	23,241	17,772
Income (loss) from continuing operations	104,917	(253,341)	(235,770)	(384,194)
Net income (loss) from continuing operations attributable to DigitalBridge Group, Inc.	37,900	(43,512)	(189,486)	(195,098)
Net loss from discontinued operations attributable to DigitalBridge Group, Inc.				(122,109)
Net loss attributable to DigitalBridge Group, Inc.				\$ (317,207)
Nine Months Ended September 30, 2021				
Total revenues	\$ 131,789	\$ 573,261	\$ 4,892	\$ 709,942
Property operating expense	—	237,228	—	237,228
Interest expense	2,250	90,243	25,120	117,613
Depreciation and amortization	20,808	368,906	17,126	406,840
Equity method earnings, including carried interest	70,203	—	41,177	111,380
Income tax benefit (expense)	(7,970)	77,134	40,244	109,408
Income (loss) from continuing operations	62,721	(146,932)	(99,240)	(183,451)
Net income (loss) from continuing operations attributable to DigitalBridge Group, Inc.	35,849	(22,592)	(99,898)	(86,641)
Net loss from discontinued operations attributable to DigitalBridge Group, Inc.				(221,036)
Net loss attributable to DigitalBridge Group, Inc.				\$ (307,677)

Total assets and equity method investments of reportable segments are summarized as follows:

(In thousands)	September 30, 2022		December 31, 2021	
	Total Assets	Equity Method Investments	Total Assets	Equity Method Investments
Digital Investment Management	\$ 707,915	\$ 222,140	\$ 655,152	\$ 140,027
Digital Operating	8,150,083	—	7,608,451	—
Other	2,810,238	502,702	2,257,598	533,069
	11,668,236	724,842	10,521,201	673,096
Assets held for disposition related to discontinued operations	72,593	69,716	3,676,615	182,552
	\$ 11,740,829	\$ 794,558	\$ 14,197,816	\$ 855,648

20. Commitments and Contingencies

Litigation

The Company may be involved in litigation in the ordinary course of business. As of September 30, 2022, 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.

21. Supplemental Disclosure of Cash Flow Information

(In thousands)	Nine Months Ended September 30,	
	2022	2021
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest, net of amounts capitalized of \$1,674 and \$1,025	\$ 163,646	\$ 332,703
Cash received for income tax refunds, net	5,782	7,913
Operating lease payments	50,584	51,088
Finance lease payments	11,750	11,481
Supplemental Disclosure of Cash Flows from Discontinued Operations		
Net cash provided by (used in) operating activities of discontinued operations	\$ (16,038)	\$ 165,178
Net cash provided by (used in) investing activities of discontinued operations	(32,815)	676,579
Net cash used in financing activities of discontinued operations	(12,503)	(528,035)
Supplemental Disclosure of Noncash Investing and Financing Activities		
Dividends and distributions payable	\$ 16,527	\$ 16,899
Improvements in operating real estate in accrued and other liabilities	65,405	29,324
Receivable from loan repayments and asset sales	12,373	53,948
Operating lease right-of-use assets and lease liabilities established	16,840	23,366
Finance lease payments accrued	—	5,401
Redemption of OP Units for common stock	341	1,107
Redemption of redeemable noncontrolling interest for common stock	348,759	—
Exchange of notes into shares of Class A common stock	60,317	—
Debt assumed by buyer in sale of real estate	—	44,148
Seller Note received in sale of NRF Holdco equity	154,992	—
Loan receivable relieved in exchange for equity investment acquired	20,676	—
Assets disposed in sale of equity of investment entities or sale by receiver (Note 12)	3,420,783	3,572,825
Liabilities disposed in sale of equity of investment entities or sale by receiver (Note 12)	3,144,700	3,644,226
Assets of investment entities deconsolidated ⁽¹⁾	—	351,022
Noncontrolling interests of investment entities deconsolidated ⁽¹⁾	204,730	374,815

⁽¹⁾ Represents deconsolidation of noncontrolling interests upon sale of the Company's equity interests in investment entities (Note 12).

22. Subsequent Events

Other than as disclosed elsewhere, no subsequent events have occurred that would require recognition in the consolidated financial statements or disclosure in the accompanying notes.

FORWARD-LOOKING STATEMENTS

Some of the statements contained in this Quarterly Report on Form 10-Q (this "Quarterly Report") constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and we intend such statements to be covered by the safe harbor provisions contained therein. 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. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

The forward-looking statements contained in this Quarterly Report reflect our current views about future events and are subject to numerous known and unknown risks, uncertainties, assumptions and changes in circumstances that may cause our actual results to differ significantly from those expressed in any forward-looking statement. The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements:

- the duration and severity of the current novel coronavirus (COVID-19) pandemic, driven by, among other factors, the treatment developments and public adoption rates and effectiveness of COVID-19 vaccines against emerging variants of COVID-19;
- the impact of the COVID-19 pandemic on the global market, economic and environmental conditions generally and in the digital and communications technology and investment management sectors;
- the effect of COVID-19 on the Company's operating cash flows, debt service obligations and covenants, liquidity position and valuations of its real estate investments, as well as the increased risk of claims, litigation and regulatory proceedings and uncertainty that may adversely affect the Company;
- our status as an owner, operator and investment manager of digital infrastructure and real estate and our ability to manage any related conflicts of interest;
- our ability to obtain and maintain financing arrangements, including securitizations, on favorable or comparable terms or at all;
- the impact of initiatives related to our digital transformation, including the strategic investment by Wafra and the formation of certain other investment management platforms, on our growth and earnings profile;
- whether the transaction with AMP Capital will be completed within the time frame and on the terms anticipated or at all, and whether we will realize any of the anticipated benefits from the transaction;
- our ability to integrate and maintain consistent standards and controls, including our ability to manage our acquisitions in the digital industry effectively;
- the impact to our business operations and financial condition of realized or anticipated compensation and administrative savings through cost reduction programs;
- our business and investment strategy, including the ability of the businesses in which we have a significant investment (such as BRSP) to execute their business strategies;
- BRSP's trading price and its impact on the carrying value of the Company's investment in BRSP, including whether the Company will recognize further other-than-temporary impairment on its investment in BRSP;
- performance of our investments relative to our expectations and the impact on our actual return on invested equity, as well as the cash provided by these investments and available for distribution;
- our ability to raise new investment funds and vehicles and transfer warehoused investments;
- our ability to grow our business by raising capital for the companies that we manage;
- our ability to deploy capital into new investments consistent with our digital business strategies, including the earnings profile of such new investments;
- the availability of, and competition for, attractive investment opportunities;

- our ability to achieve any of the anticipated benefits of certain joint ventures, including any ability for such ventures to create and/or distribute new investment products;
- our ability to satisfy and manage our capital requirements;
- our expected hold period for our assets and the impact of any changes in our expectations on the carrying value of such assets;
- the general volatility of the securities markets in which we participate;
- changes in interest rates and the market value of our assets;
- interest rate mismatches between our assets and any borrowings used to fund such assets;
- effects of hedging instruments on our assets;
- the impact of economic conditions on third parties on which we rely;
- any litigation and contractual claims against us and our affiliates, including potential settlement and litigation of such claims;
- our levels of leverage;
- adverse domestic or international macroeconomic factors, including those resulting from the COVID-19 pandemic, supply chain difficulties, inflation, a potential economic slowdown or a recession;
- the impact of legislative, regulatory and competitive changes;
- the impact of our transition from a REIT to a C-corporation for tax purposes, and the related liability for corporate and other taxes;
- whether we will be able to utilize existing tax attributes to offset taxable income to the extent contemplated;
- our ability to maintain our exemption from registration as an investment company under the Investment Company Act of 1940, as amended (the "1940 Act");
- changes in our board of directors or management team, and availability of qualified personnel;
- our ability to make or maintain distributions to our stockholders; and
- our understanding of our competition.

While forward-looking statements reflect our good faith beliefs, assumptions and expectations, they are not guarantees of future performance. Furthermore, we disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes. Moreover, because we operate in a very competitive and rapidly changing environment, new risk factors are likely to emerge from time to time. We caution investors not to place undue reliance on these forward-looking statements and urge you to carefully review the disclosures we make concerning risks in Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, our Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 and in Part I, Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Quarterly Report. Readers of this Quarterly Report should also read our other periodic filings made with the Securities and Exchange Commission (the "SEC") and other publicly filed documents for further discussion regarding such factors.

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 accompanying notes thereto, which are included in Item 1 of this Quarterly Report, as well as information contained in our Annual Report on Form 10-K for the year ended December 31, 2021, which is accessible on the SEC's website at www.sec.gov.

In this Quarterly Report, unless specifically stated otherwise or the context indicates otherwise, the terms "the Company," "we," "our" and "us" refer to DigitalBridge Group, Inc. and its consolidated subsidiaries. References to the "Operating Partnership," our "Operating Company" and the "OP" refer to DigitalBridge Operating Company, LLC, a Delaware limited liability company and the operating company of the Company, and its consolidated subsidiaries.

Our Organization

We are a leading global-scale digital infrastructure firm that invests, directly and through our portfolio companies, across the digital ecosystem, including data centers, cell towers, fiber networks, small cells, and edge infrastructure. At September 30, 2022, we have \$50 billion of assets under management, comprising digital infrastructure assets managed on behalf of our limited partners and our shareholders.

We are headquartered in Boca Raton, Florida, with key offices in New York, Los Angeles, London and Singapore, and have approximately 240 employees.

We conduct substantially all of our activities and hold substantially all of our assets and liabilities through the OP, our operating subsidiary. At September 30, 2022, we owned 93% of the OP, as its sole managing member.

We operate our business in a manner that will permit us to maintain our exemption from registration as an investment company under the 1940 Act.

Transition to C-Corporation

Prior to January 1, 2022, the Company elected to be taxed as a real estate investment trust ("REIT") for U.S. federal income tax purposes, which generally provided that the Company was not subject to U.S. federal and state income taxes on its taxable income to the extent that it annually distributed such income to stockholders. The income earned through the Company's underlying taxable REIT subsidiaries ("TRS"), primarily the investment management earnings, however, was subject to U.S. federal and state income tax.

In the first quarter of 2022, the Company completed the disposition of substantially all of its non-digital assets, as described below, and in connection with its digital transformation, has recorded significant growth in its Digital Investment Management ("Digital IM") business.

Due to the pace of growth of the Company's Digital IM business and other strategic transactions that the Company may pursue, the Company's Board of Directors and management agreed to discontinue actions necessary to maintain qualification as a REIT for 2022. Commencing with the taxable year ending December 31, 2022, all of the Company's taxable income, except for income generated by subsidiaries that have elected or anticipate electing REIT status, is subject to U.S. federal and state income tax at the applicable corporate tax rate. Any dividends paid to stockholders will no longer be tax deductible. The Company is also no longer subject to the REIT requirement for distributions to stockholders when the Company has taxable income.

The Company anticipates that operating as a C-Corporation will provide the Company with flexibility to execute various strategic initiatives without the constraints of complying with REIT requirements. This includes the intended deployment of capital to redeem third party interest in the Company's Digital IM business, retaining and reinvesting earnings in other new initiatives in the Digital IM business, and warehousing digital infrastructure investments in the future that may be non-REIT qualified assets.

The Company's transition to a C-Corporation is not expected to result in significant incremental current income tax expense in the near term due to the availability of significant capital loss and net operating loss ("NOL") carryforwards.

Our Business

At September 30, 2022, the Company has \$50 billion of assets under management ("AUM"), including both third party capital and the Company's balance sheet.

The Company conducts its business through two reportable segments, as follows:

- *Digital Investment Management ("Digital IM")*—This business represents a leading global digital infrastructure investment platform, managing capital on behalf of a diverse base of global investors. The Company's flagship opportunistic strategy is conducted through its DigitalBridge Partners platform ("DBP") and separately capitalized vehicles, while other strategies, including digital credit, ventures and public equities, are conducted through other investment vehicles. The Company earns management fees, generally based on the amount of assets or capital managed in investment vehicles, and has the potential to earn incentive fees and carried interest based upon the performance of such investment vehicles, subject to achievement of minimum return hurdles. Earnings from our Digital IM segment were attributed 31.5% to Wafra through the end of May 2022 when Wafra's investment in the Digital IM business was redeemed by the Company (as discussed further in Note 10 to the consolidated financial statements).
- *Digital Operating*—This business is composed of balance sheet equity interests in digital infrastructure and real estate operating companies, which generally earn rental income from providing use of digital asset space and/or capacity through leases, services and other agreements. The Company currently owns interests in two

companies: DataBank, including zColo, an edge colocation data center business (DBRG ownership at 13.5% as of September 30, 2022, 20% as of December 31, 2021); and Vantage SDC, a stabilized hyperscale data center business (DBRG ownership at 13%). Both DataBank and Vantage are also portfolio companies managed under Digital IM for the equity interests owned by third party capital.

Digital Transformation

In February 2022, the Company completed its digital transformation that commenced in the second quarter of 2020. The Company's completed disposition of its hotel business (March 2021), Other Equity and Debt ("OED") investments and non-digital investment management ("Other IM") business (December 2021), and its Wellness Infrastructure business (February 2022) each represented a strategic shift in the Company's business that had a significant effect on the Company's operations and financial results, and accordingly, had met the criteria as discontinued operations. For all current and prior periods presented, the related assets and liabilities, to the extent they have not been disposed at the respective balance sheet dates, are presented as assets and liabilities held for disposition on the consolidated balance sheets, and the related operating results are presented as discontinued operations on the consolidated statements of operations (refer to Item 1. "Financial Statements" of this Quarterly Report).

Significant Developments

The following summarizes significant developments that affected our business and results of operations in 2022 through the date of this filing.

Transition To C-Corporation

- We have discontinued actions necessary to maintain qualification as a REIT for 2022, and will be taxed as a C-Corporation. Without the constraints of maintaining REIT status, we have more flexibility to execute various strategic initiatives, including the Wafra transaction, as discussed below. Incremental tax burden is not expected to be significant in the near term given the availability of significant capital loss and NOL carryforwards and that our Digital IM business, prior to the transition, was already taxable under a TRS.

Capitalization and Financing

- We continue to reduce higher cost corporate indebtedness through (i) early exchange of an additional \$60 million of senior notes in March 2022 for shares of our class A common stock and cash, resulting in 74% of the original issuance exchanged to-date; and (ii) repurchase of \$52.6 million of preferred stock at a discount to par or a weighted average price of \$23.62 per share, generating future savings in interest and preferred dividends.
- Pursuant to a \$200 million stock repurchase program, in addition to preferred stock repurchases, we have also repurchased \$55 million of class A common stock at a weighted average price of \$13.09 per share through October 2022.
- A one-for-four reverse stock split of our common stock was effectuated in August 2022.
- We have reinstated quarterly common stock dividends beginning the third quarter of 2022, with the declaration of a dividend of \$0.01 per share of common stock that was paid in October 2022.
- Effective April 2022, the availability under our VFN was increased by \$100 million to \$300 million.

Digital Business

Digital IM

- Through October 2022, included in earnings is our share of realized carried interest of \$22.5 million (net of allocation to employees) in connection with the DataBank recapitalization and the first liquidation of investment by DBP I.
- In May 2022, we redeemed Wafra's 31.5% interest in our Digital IM business and Wafra sold or gave up its carried interest entitlement from future (not existing) investment management products. Consideration for the redemption was valued at \$862.3 million at closing, consisting of: (i) net cash paid of \$388.5 million; (ii) 14.4 million shares (after giving effect to the Company's one-for-four reverse stock split on August 22, 2022) of our class A common stock valued at \$348.8 million at closing; and (iii) the ability to earn a contingent amount up to \$125 million payable in March 2023 and/or March 2024, with up to 50% payable in common stock at our election.

Following the redemption, all net cash flows from our fee business accrue to us at 100%, and we are entitled to 100% of carried interest net of management allocations from future investment products. The transaction is described further in Note 10 to the consolidated financial statements.

- In April 2022, we agreed to acquire AMP Capital's global infrastructure equity investment management business, composed of its management platform, fund sponsor investments, and retained performance fees. Consideration for the acquisition consists of: (i) an upfront amount of A\$458 million (approximately \$314 million, based upon the September 30, 2022 spot rate), subject to certain customary adjustments; and (ii) a contingent amount of up to A\$180 million (approximately \$125 million, based upon September 30, 2022 spot rate), primarily based upon future fundraising for the third and fourth flagship funds under the Global Infrastructure Fund ("GIF") series. Closing is expected in the fourth quarter of 2022.

The acquisition of AMP Capital will further scale our Digital IM business. AMP Capital's global infrastructure equity platform will be a strategic fit alongside our value-add equity franchise, enhancing our capabilities in the mid-market segment. The acquisition will add \$5.5 billion in fee earning assets under management, comprising \$3.4 billion GIF II and \$1.4 billion GIF I investment funds, as well as co-investment vehicles, and is expected to be immediately accretive to our fee related earnings.

Digital Operating

DataBank Investments

- In March 2022, DataBank acquired four colocation data centers in Houston, Texas for \$670 million, funded by a combination of \$262.5 million of debt and \$407.5 million of equity, of which the Company's share was \$87.0 million.

The new facilities added approximately 308,000 built square feet and 42.5 MW of installed critical IT load, and a roster of blue-chip customers. One of the facilities is the region's primary interconnection point that is strategically positioned with access to significant and redundant utility power feeds and access to fast and reliable telecommunications networks.

- In January 2022, we acquired additional interest in DataBank from a selling investor for \$32 million
- Immediately following the above transactions, our ownership in DataBank had increased from 20% to 21.8%.

DataBank Recapitalization

- The first closing in August 2022 of the recapitalization of DataBank, together with the second closing in October 2022, collectively resulted in the sale of a portion of our equity interest to new investors for \$1.7 billion in cash. Our ownership interest in DataBank decreased from 21.8% to 12.4% following the second closing. Our share of proceeds from the sale totaled \$366 million, including our share of carried interest net of allocation to employees. The recapitalization implies a pre-transaction net equity value of our ownership in DataBank of \$905 million, reflecting a 2.0x multiple of invested capital since our initial investment in DataBank in December 2019.

As the transaction involved a change in ownership of a consolidated subsidiary, it was accounted for as an equity transaction. After the August closing for \$1.5 billion, the difference between the book value of our interest and our ownership based upon the current value of DataBank resulted in an increase to equity of \$171 million.

- We anticipate the completion of a third closing of the recapitalization prior to the end of 2022, which will further dilute our interest in DataBank.

Other

- The first liquidation in September 2022 of a DBP I investment, Wildstone, resulted in a receipt of \$16.6 million in distributions (excluding carried interest). As of September 30, 2022, we have \$148.5 million invested in DBP I as general partner and limited partner.
- In June 2022, we acquired the mobile telecommunications tower business ("TowerCo") of Telenet Group Holding NV (Euronext Brussels: TNET, "Telenet") for €740 million or \$791 million (including transaction costs). The acquisition was funded through \$326 million of debt, \$278 million of equity from the Company, and \$214 million of third party equity, including funding for transaction costs, debt issuance costs and working capital. The TowerCo investment is intended to be transferred to a new sponsored investment vehicle as we continue to develop new investment strategies in our Digital IM business.

Telenet's tower business is a high-quality digital infrastructure asset with stable, predictable cash flows, high cash conversion, and long-term contracts. We acquired full ownership of Telenet's passive infrastructure and tower assets, including TowerCo's nationwide footprint of approximately 3,300 sites in Belgium, of which approximately 2,200 sites are owned and the remaining sites are leased from third parties. Telenet entered into a long-term Master Lease Agreement ("MLA") with TowerCo, which includes an initial period of 15 years and two renewal periods of 10 years each. The MLA also includes a build-to-suit commitment to deploy a minimum of 475 additional new sites, with Telenet acting as subcontractor to TowerCo, and provides for payment for such services to Telenet over time.

Non-Digital Business

- A \$59.6 million impairment was recorded on our investment in BRSP in the third quarter of 2022. Given the continued market volatility in 2022, our anticipated hold period may not be sufficient to allow for a recovery of BRSP's stock price relative to the carrying value of our investment in BRSP.

Assets Under Management and Fee Earning Equity Under Management ("FEEUM")

Below is a summary of our AUM and FEEUM.

Type	Products	Description	AUM ⁽¹⁾⁽³⁾ (In billions)		FEEUM ⁽²⁾⁽³⁾ (In billions)	
			September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021
Third Party Managed Capital						
Institutional Funds	DigitalBridge Partners opportunistic strategy	Earns management fees and potential for carried interest or incentive fees	\$ 16.5	\$ 16.6	\$ 10.8	\$ 11.2
	Liquid securities strategy		1.0	0.8	1.0	0.8
Other Investment Vehicles	Digital co-invest vehicles	Earns management fees, business service fees from portfolio companies, and potential for carried interest	23.1	19.3	6.3	4.2
	Digital real estate and infrastructure held by portfolio companies		7.7	6.9	2.4	2.1
			48.3	43.6	20.5	18.3
Balance Sheet Capital ⁽³⁾						
	Digital Operating		1.1	1.2	NA	NA
	Other		0.9	0.5	NA	NA
			\$ 50.3	\$ 45.3	\$ 20.5	\$ 18.3

⁽¹⁾ AUM is composed of (a) third party managed capital for which the Company and its affiliates provide investment management services, including assets for which the Company may or may not charge management fees and/or performance allocations; and (b) assets invested using the Company's own balance sheet capital and managed on behalf of the Company's shareholders. Third party AUM is based upon the cost basis of managed investments as reported by each underlying vehicle as of the reporting date and may include uncalled capital commitments. Balance sheet AUM is based upon the undepreciated carrying value of the Company's balance sheet investments as of the reporting date. The Company's calculation of AUM may differ from other asset managers, and as a result, may not be comparable to similar measures presented by other asset managers.

⁽²⁾ FEEUM is equity for which the Company and its affiliates provide investment management services and derive management fees and/or incentives. FEEUM generally represents the basis used to derive fees, which may be based upon invested equity, stockholders' equity, or fair value, pursuant to the terms of each underlying investment management agreement. The Company's calculation of FEEUM may differ from other asset managers, and as a result, may not be comparable to similar measures presented by other asset managers.

⁽³⁾ Balance sheet capital represents the Company's investment interests on its balance sheet, excluding the portion held by noncontrolling interests in investment entities, that is managed by the Company on behalf of its stockholders, therefore is not fee-bearing. Balance sheet AUM generally reflects the OP's share of net book value of balance sheet assets, determined based upon undepreciated carrying value of assets, and where applicable, after impairment charges that create a new basis for the affected assets, in all instances, net of liabilities.

- FEEUM increased by \$2.2 billion or 12% year-to-date 2022 to \$20.5 billion at September 30, 2022. The increase was primarily FEEUM from co-investment vehicles, largely resulting from the DataBank recapitalization. Within institutional funds, there was a decrease in FEEUM following DBP I's liquidation of Wildstone.
- Our acquisition of AMP Capital's global infrastructure equity platform is expected to add \$5.5 billion of FEEUM when the transaction closes in the fourth quarter of 2022.

Results of Operations

The following table summarizes our consolidated results from continuing operations by reportable segments.

(In thousands)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	Change	2022	2021	Change
Continuing Operations						
Total revenues						
Digital Investment Management	\$ 43,953	\$ 53,796	\$ (9,843)	\$ 134,961	\$ 131,789	\$ 3,172
Digital Operating	225,387	194,966	30,421	655,596	573,261	82,335
Corporate and Other ⁽¹⁾	27,283	3,412	23,871	52,934	4,892	48,042
	<u>\$ 296,623</u>	<u>\$ 252,174</u>	44,449	<u>\$ 843,491</u>	<u>\$ 709,942</u>	133,549
Income (Loss) from continuing operations						
Digital Investment Management	\$ 46,065	\$ 39,272	\$ 6,793	\$ 104,917	\$ 62,721	\$ 42,196
Digital Operating	(93,772)	(71,822)	(21,950)	(253,341)	(146,932)	(106,409)
Corporate and Other	(46,891)	(8,385)	(38,506)	(235,770)	(99,240)	(136,530)
	<u>\$ (94,598)</u>	<u>\$ (40,935)</u>	(53,663)	<u>\$ (384,194)</u>	<u>\$ (183,451)</u>	(200,743)
Net income (loss) from continuing operations attributable to DigitalBridge Group, Inc.						
Digital Investment Management	\$ 24,233	\$ 16,870	\$ 7,363	\$ 37,900	\$ 35,849	\$ 2,051
Digital Operating	(15,881)	(12,142)	(3,739)	(43,512)	(22,592)	(20,920)
Corporate and Other	(42,434)	(11,506)	(30,928)	(189,486)	(99,898)	(89,588)
	<u>\$ (34,082)</u>	<u>\$ (6,778)</u>	(27,304)	<u>\$ (195,098)</u>	<u>\$ (86,641)</u>	(108,457)

⁽¹⁾ Includes elimination of fee income earned by Digital Investment Management from managed investment vehicles consolidated within Digital Operating and Corporate and Other.

Revenues

Total revenues increased \$44.4 million, or 18%, in the quarter-to-date comparison and \$133.5 million, or 19%, in the year-to-date comparison.

- *Digital Investment Management*—Revenues decreased 18% in the quarter-to-date comparison and increased 2% in the year-to-date comparison. Overall, management fees were higher in 2022, attributed to additional DBP II commitments that closed in the fourth quarter of 2021, the DataBank recapitalization in August 2022, additional capital calls by portfolio companies as well as new co-invest vehicles and sub-advisory accounts. However, 2021 benefited from incentive fees from our digital liquid strategy and in the third quarter of 2021, a catch-up of inception-to-date fees for DigitalBridge Partners II, LP ("DBP II") following the closing of significant new commitments, which resulted in a decrease in revenues in the quarter-to-date comparison. Supplemental performance measures of the Digital IM segment are presented under "—Non-GAAP Measures."
- *Digital Operating*—2022 includes revenue from additional acquisitions, namely DataBank's four new data centers in March 2022 and within the Vantage SDC portfolio, an add-on acquisition in October 2021 and additional lease-up of expanded capacity and existing inventory throughout 2021 and 2022. Additionally, 2022 included a one-time fee from a lease termination at Vantage SDC recognized in the second quarter.
- *Corporate and Other*—Revenues in 2022 reflect primarily lease income from the warehoused tower business acquired in June 2022, and interest income from credit investments acquired or originated over time. Our ownership of these warehoused credit investments have largely been relinquished in the third quarter of 2022.

Income (loss) from continuing operations

- *Digital Investment Management*—Net income reflects the effect of carried interest, net of management allocations. 2022 included significant realized carried interest and allocations in connection with the DataBank recapitalization and the first liquidation of investment by DBP I, along with additional unrealized carried interest and allocations for in DBP I. On a year-to-date basis in 2022, the carried interest accrual and allocations were partially offset by a reversal in the first quarter. We have also continued to ramp up resources and invest in our growing Digital IM business over time.

- *Digital Operating*—Our Digital Operating segment generally records a net loss, reflecting the effects of real estate depreciation and intangible asset amortization. Net loss was lower year-to-date in 2021 as there was a large deferred tax benefit resulting from a write-off of deferred tax liabilities at DataBank as it was then determined that DataBank would elect REIT status beginning with the 2021 taxable year.
- *Corporate and Other*—The net loss generally reflects corporate level costs that have not been allocated to our reportable segments, primarily interest expense on corporate debt and compensation and administrative expenses. Also included are the effects of fair value changes on marketable equity securities held by our consolidated liquid strategy funds, previously warehoused investments and underlying portfolio companies of our digital funds which affect our share of earnings from these funds. The larger net loss in 2022 was driven by a \$133.2 million non-cash loss recognized in connection with an early exchange of our 5.75% exchangeable notes in March 2022 (refer to Note 8 to the consolidated financial statements), and impairment loss of \$59.6 million on our investment in BRSP in the third quarter of 2022. This was partially offset by a significant decrease in fair value of the warrants issued to Wafra from its initial remeasurement in May 2022.

Key components of revenue and income (loss) from continuing operations are discussed in more detail below.

Comparison of Three and Nine Months September 30, 2022 to Three and Nine Months September 30, 2021

(In thousands)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	Change	2022	2021	Change
Revenues						
Property operating income	\$ 244,336	\$ 194,854	\$ 49,482	\$ 681,098	\$ 572,841	\$ 108,257
Interest income	8,725	3,086	5,639	22,390	5,259	17,131
Fee income	41,263	50,226	(8,963)	128,418	124,826	3,592
Other income	2,299	4,008	(1,709)	11,585	7,016	4,569
Total revenues	296,623	252,174	44,449	843,491	709,942	133,549
Expenses						
Property operating expense	105,987	80,226	25,761	287,280	237,228	50,052
Interest expense	53,032	39,895	13,137	143,450	117,613	25,837
Investment expense	9,510	7,263	2,247	26,262	20,027	6,235
Transaction-related costs	3,879	936	2,943	6,800	2,618	4,182
Depreciation and amortization	145,594	129,186	16,408	429,513	406,840	22,673
Compensation expense, including incentive fee and carried interest allocation	146,375	87,669	58,706	293,426	222,887	70,539
Administrative expenses	29,909	28,933	976	84,147	75,234	8,913
Total expenses	494,286	374,108	120,178	1,270,878	1,082,447	188,431
Other income (loss)						
Other gain (loss), net	25,908	4,657	21,251	(170,229)	(31,734)	(138,495)
Equity method earnings, including carried interest	69,316	65,369	3,947	195,650	111,380	84,270
Loss before income taxes	(102,439)	(51,908)	(50,531)	(401,966)	(292,859)	(109,107)
Income tax benefit	7,841	10,973	(3,132)	17,772	109,408	(91,636)
Loss from continuing operations	(94,598)	(40,935)	(53,663)	(384,194)	(183,451)	(200,743)
Loss from discontinued operations	(26,389)	(10,429)	(15,960)	(148,558)	(590,595)	442,037
Net loss	(120,987)	(51,364)	(69,623)	(532,752)	(774,046)	241,294
Net income (loss) attributable to noncontrolling interests:						
Redeemable noncontrolling interests	(6,442)	7,269	(13,711)	(31,989)	15,743	(47,732)
Investment entities	(60,623)	(124,301)	63,678	(152,770)	(443,547)	290,777
Operating Company	(4,834)	4,311	(9,145)	(30,786)	(38,565)	7,779
Net income (loss) attributable to DigitalBridge Group, Inc.	(49,088)	61,357	(110,445)	(317,207)	(307,677)	(9,530)
Preferred stock repurchases/redemptions	(1,098)	2,865	(3,963)	(1,098)	2,865	(3,963)
Preferred stock dividends	15,283	17,456	(2,173)	46,801	54,488	(7,687)
Net income (loss) attributable to common stockholders	\$ (63,273)	\$ 41,036	(104,309)	\$ (362,910)	\$ (365,030)	2,120

Property Operating Income and Expense

(In thousands)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	Change	2022	2021	Change
Property operating income						
<i>Digital Operating</i>						
Lease income	\$ 206,141	\$ 175,238	\$ 30,903	\$ 598,263	\$ 522,712	\$ 75,551
Data center service revenue	19,182	19,616	(434)	57,217	50,129	7,088
	225,323	194,854	30,469	655,480	572,841	82,639
<i>Other</i>						
Lease income	19,013	—	19,013	25,618	—	25,618
	\$ 244,336	\$ 194,854	49,482	\$ 681,098	\$ 572,841	108,257
Property operating expense						
Digital Operating	\$ 100,051	\$ 80,226	\$ 19,825	\$ 278,798	\$ 237,228	\$ 41,570
Other	5,936	—	5,936	8,482	—	8,482
	\$ 105,987	\$ 80,226	25,761	\$ 287,280	\$ 237,228	50,052

Digital Operating

Property operating income and expense are higher in 2022, which includes operating results from additional acquisitions. These include DataBank's acquisition of four data centers in March 2022, and within the Vantage SDC portfolio, an add-on acquisition in October 2021 and additional lease-up of expanded capacity and existing inventory throughout 2021 and 2022. Additionally, the second quarter of 2022 also included a \$5.8 million fee received from a lease termination in the Vantage SDC portfolio.

Total real estate carrying value in our Digital Operating segment increased to \$5.81 billion at September 30, 2022 compared to \$4.97 billion at December 31, 2021 following the DataBank March 2022 acquisition.

At September 30, 2022, our portfolio includes 73 data centers in the U.S., three in Canada, one in the U.K., and five in France.

	September 30, 2022	December 31, 2021
Digital Operating		
Number of data centers ⁽¹⁾		
Owned	33	28
Leasehold	49	50
	82	78
<i>(In thousands, except %)</i>		
Max Critical I.T. Square Feet or Total Rentable Square Feet ⁽²⁾	2,350	1,949
Leased Square Feet ⁽²⁾	1,852	1,553
% Utilization Rate (% Leased) ⁽²⁾	79%	80%

⁽¹⁾ Converted a leased data center to owned in the first quarter of 2022.

⁽²⁾ Excludes data centers that were not held for the entire period; in this case, four data centers that were acquired in March 2022.

On a same store basis, property operating income and expense also increased in 2022, driven by the Vantage SDC portfolio, attributable to a lease termination fee and increase in leased square footage from lease-up of expanded capacity and existing inventory.

Other

This represents property operating income and expense from the tower business acquired in June 2022.

Interest Income

Interest income was \$5.6 million higher in the quarter-to-date comparison and \$17.1 million higher in the year-to-date comparison. In 2022, there was additional interest income from new loans originated or acquired beginning the third quarter of 2021. All of these new loans have been transferred either to a third party sponsored CLO or to our sponsored fund in the third quarter of 2022, except for one loan for which the transfer is pending. Additionally, we also

recognized paid-in-kind interest on an unsecured promissory note in connection with the sale of our Wellness Infrastructure business in February 2022.

Fee Income

(In thousands)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	Change	2022	2021	Change
Digital Investment Management						
Management fees	\$ 40,697	\$ 47,719	\$ (7,022)	\$ 126,447	\$ 115,185	\$ 11,262
Incentive fees	—	1,313	(1,313)	2	6,396	(6,394)
Other fee income	566	1,194	(628)	1,969	3,245	(1,276)
	<u>\$ 41,263</u>	<u>\$ 50,226</u>	<u>(8,963)</u>	<u>\$ 128,418</u>	<u>\$ 124,826</u>	<u>3,592</u>

Fee income decreased \$9.0 million in the quarter-to-date comparison but increased \$3.6 million in the year-to-date comparison. There was an overall increase in management fees in 2022, attributed to additional DBP II commitments that closed in the fourth quarter of 2021, the DataBank recapitalization in August 2022, additional capital calls by portfolio companies as well as new co-invest vehicles and sub-advisory accounts. However, management fees decreased in the quarter-to-date comparison as the third quarter of 2021 benefited from a catch-up of inception-to-date fees for DBP II following the closing of significant new commitments during that period. Additionally, there were no incentive fees earned from our digital liquid strategy in 2022 in comparison to 2021, which further contributed to the overall decrease in fee income in the quarter-to-date period and partially offset the higher management fees in the year-to-date period.

Other Income

Other income decreased \$1.7 million in the quarter-to-date comparison but increased \$4.6 million in the year-to-date comparison. The decrease in the quarter-to-date comparison can be attributed to lower professional service fees incurred on behalf of and reimbursable by our managed investment vehicles. The increase in the year-to-date comparison is due primarily to dividend income received from our equity interest in a third party non-traded REIT and loan origination fee earned in the first quarter of 2022 in connection with a loan syndication.

Interest Expense

(In thousands)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	Change	2022	2021	Change
Digital Investment Management	\$ 2,953	\$ 2,250	\$ 703	\$ 8,240	\$ 2,250	\$ 5,990
Digital Operating	40,770	29,839	10,931	114,187	90,243	23,944
Other investment-level debt	5,356	268	5,088	8,495	268	8,227
Corporate-level debt	3,953	7,538	(3,585)	12,528	24,852	(12,324)
	<u>\$ 53,032</u>	<u>\$ 39,895</u>	<u>13,137</u>	<u>\$ 143,450</u>	<u>\$ 117,613</u>	<u>25,837</u>

Digital Investment Management—This represents interest expense from our securitized financing facility beginning in July 2021, which is attributed largely to the Digital IM segment. Interest expense is higher in 2022, reflecting a full year-to-date period, and additionally, from drawdowns on the VFN during the year.

Digital Operating—The increase of \$10.9 million in the quarter-to-date comparison and \$23.9 million in the year-to-date comparison is attributed to interest expense from the following: (i) additional debt raised through securitization transactions by DataBank and Vantage SDC during 2021; (ii) new financing for DataBank's acquisition of four data centers in March 2022; and (iii) securitized financing facility beginning July 2021 which is partially allocated to the Digital Operating segment.

At September 30, 2022, our data center portfolio was financed by an aggregate \$4.51 billion of outstanding debt principal (\$4.22 billion at December 31, 2021), primarily fixed rate securitized debt, bearing a combined weighted average interest rate of 3.38% per annum (2.88% per annum at December 31, 2021).

Other Investment-level Debt—This represents interest expense from: (i) debt to partially fund the acquisition of the tower assets in June 2022; (ii) our securitized financing facility beginning in July 2021 that is partially allocated to our digital credit and digital liquid investments on the balance sheet; and (iii) credit facilities previously financing warehoused loans which were repaid following a transfer of the loans to a third party sponsored CLO in the third quarter of 2022.

Corporate-level Debt—Interest expense decreased \$3.6 million in the quarter-to-date comparison and \$12.3 million in the year-to-date comparison as we have extinguished \$221 million of higher cost corporate debt through early exchanges of our 5.75% exchangeable notes totaling \$161 million in the fourth quarter of 2021 and an additional \$60 million in March 2022 (refer to Note 8 to the consolidated financial statements). 2021 also included interest expense on our corporate credit facility that was terminated in July 2021.

Investment Expense

Investment expense increased \$2.2 million in the quarter-to-date comparison and \$6.2 million in the year-to-date comparison. The increase is attributable largely to compensatory expense recognized in connection with equity awards granted to the management team of Vantage who performs the day-to-day operations of Vantage SDC, higher management fees paid to Vantage as a result of the add-on acquisition in October 2021, and professional service fees incurred in the tower business in 2022. These increases were partially offset by lower costs in the third quarter of 2022 in connection with transition services for DataBank.

Transaction-Related Costs

Transaction-related costs increased \$2.9 million in the quarter-to-date comparison and \$4.2 million in the year-to-date comparison, attributed to the pending acquisition of AMP Capital and unconsummated investments.

Depreciation and Amortization

Increase in depreciation and amortization can be attributed to real estate and intangible assets acquired through the Vantage SDC add-on acquisition in October 2021, DataBank's four new data centers in March 2022, and tower assets in June 2022. 2022 also included accelerated amortization of lease intangibles in connection with an early lease termination in the Vantage SDC portfolio. The increase was partially offset by (i) accelerated amortization recognized in the first quarter of 2021 on a trade name intangible in anticipation of the Company's name change in June 2021; and (ii) a decrease in amortization expense on lease intangibles following the term expiration on short term leases in our colocation data center business in 2022.

Compensation Expense

(In thousands)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	Change	2022	2021	Change
Cash compensation and benefits	\$ 46,868	\$ 49,019	\$ (2,151)	\$ 146,552	\$ 152,325	\$ (5,773)
Equity-based compensation	8,576	6,914	1,662	27,226	30,593	(3,367)
Incentive and carried interest compensation	80,831	31,736	49,095	109,548	39,969	69,579
	136,275	87,669	48,606	283,326	222,887	60,439
Equity-based compensation—DataBank Recapitalization	10,100	—	10,100	10,100	—	10,100
	\$ 146,375	\$ 87,669	58,706	\$ 293,426	\$ 222,887	70,539

Compensation expense increased \$48.6 million in the quarter-to-date comparison and \$60.4 million in the year-to-date comparison, excluding accelerated equity awards resulting from the DataBank recapitalization as discussed below. In this case, the increase in both periods under comparison is driven by carried interest compensation in 2022, representing a portion of realized and unrealized carried interest from our sponsored investment vehicles that are shared with certain employees. Unrealized carried interest and corresponding compensation amounts are subject to adjustments each period, including reversals, until such time they are realized, based upon the cumulative performance of the underlying investments of the respective vehicles that are carried at fair value.

The increase above was partially offset by: (i) a decrease in cash and equity-based compensation as there was higher severance payments, including acceleration of equity-based compensation, in the first quarter of 2021, and lower bonus accrual in 2022; as well as (ii) a reversal of carried interest compensation in the first quarter of 2022.

Separately, the DataBank recapitalization transaction triggered an accelerated vesting of certain profits interest units that had been issued by DataBank to its employees. As a result, \$10.1 million of additional equity based compensation was recorded for the Digital Operating segment in the third quarter of 2022, of which \$7.8 million was attributed to noncontrolling interests in investment entities.

Administrative Expenses

Administrative expenses increased \$1.0 million in the quarter-to-date comparison and \$8.9 million in the year-to-date comparison. The increase is due to higher legal costs in 2022, which more than offset the placement fees incurred in fundraising for DBP II in the second and third quarters of 2021.

Other Gain (Loss)

Other gain increased \$21.3 million from \$4.7 million to \$25.9 million in the quarter-to-date comparison, and other loss increased \$138.5 million from \$31.7 million to \$170.2 million in the year-to-date comparison.

Quarter-to-date

On a quarter-to-date basis, the gain in 2022 was driven by a decrease in the liability fair value of the warrants issued to Wafra (refer to Note 13 to the consolidated financial statements) and an unrealized gain on a non-designated interest rate contract that economically hedges a floating rate debt. These gains were partially offset by fair value decreases on marketable equity securities held largely by our consolidated liquid securities funds, net of offsetting fair value changes on their short positions.

In 2021, in contrast, gains were recorded on increases in fair value of marketable equity securities.

Year-to-date

Losses in the 2022 year-to-date period were driven by fair value decreases in relation to: (i) a non-cash debt extinguishment loss of \$133.2 million in the first quarter of 2022, recognized in connection with an early exchange of our 5.75% exchangeable notes (refer to Note 8 to the consolidated financial statements); (ii) marketable equity securities held largely by our consolidated liquid securities funds, net of offsetting fair value changes on short positions; and (iii) loans receivable given the rising interest rate environment (prior to transfer of warehoused loans to a third party sponsored CLO and to our sponsored fund in the third quarter of 2022). These losses were partially offset by similar gains as recorded in the quarter-to-date period.

In the 2021 year-to-date period, the losses were driven by a write-off of an equity investment that was determined to be unrecoverable in June 2021 and an increase in value of the Blackwells settlement liability prior to its settlement in June 2021 (refer to Note 13 to the consolidated financial statements). These losses were partially offset by fair value increases on marketable equity securities.

Equity Method Earnings

(In thousands)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	Change	2022	2021	Change
Digital Investment Management	\$ 122,714	\$ 59,196	\$ 63,518	\$ 203,447	\$ 70,203	\$ 133,244
Other	(53,398)	6,173	(59,571)	(7,797)	41,177	(48,974)
	<u>\$ 69,316</u>	<u>\$ 65,369</u>	<u>3,947</u>	<u>\$ 195,650</u>	<u>\$ 111,380</u>	<u>84,270</u>

Digital Investment Management—These amounts represent predominantly carried interest from our general partner interests in sponsored investment vehicles. In 2022, there was significant carried interest realized in connection with the DataBank recapitalization and the first liquidation of investment by DBP I, along with additional unrealized carried interest recognized for DBP I. On a year-to-date basis in 2022, this increase was partially offset by a reversal of carried interest in the first quarter. Carried interest is subject to adjustments each period, including reversals, based upon the cumulative performance of the underlying investments of these vehicles that are measured at fair value, until such time the carried interest is realized. In this case, the carried interest reversal is a function of continuing accrual of preferred returns over time while fair value of underlying investments remain largely consistent.

Other—The equity method loss in 2022 was driven by \$59.6 million of impairment charge in the third quarter on our equity investment in BRSP. This was partially offset by our share of net income from BRSP and earnings from our limited partnership interests in funds in the DigitalBridge Partners opportunistic strategy, representing unrealized fair value increases on the underlying investments of these funds.

In 2021, the equity method gain can be attributed to earnings from our limited partner interests in the DigitalBridge Partner funds, driven by unrealized fair value changes on their underlying investments. Also, year-to-date included fair value increases on an equity method investment that had been accounted for under the fair value option. Beginning May 2021, the equity investment is accounted for as a marketable equity security following a merger of the investee into a special purpose acquisition company. A gain was also recorded in the third quarter of 2021 from partial sale of our BRSP shares. These gains were partially offset, year-to-date, by our share of net losses from BRSP, attributed largely to

investment write-downs and BRSP's restructuring costs in the first quarter of 2021, including the BRSP management contract termination fee that was paid to us.

Income Tax Benefit

Income tax benefit decreased from \$11.0 million to \$7.8 million in the quarter-to-date comparison and from \$109.4 million to \$17.8 million in the year-to-date comparison.

The higher deferred tax benefit in 2021 was driven, year-to-date, by a write-off of deferred tax liabilities at DataBank when it was determined in the second quarter of 2021 that DataBank would elect REIT status beginning with the 2021 taxable year. 2021 also included higher deferred tax benefit recognized in connection with significant severance costs.

The net income tax benefit recorded in 2022 reflects the tax effect of activities in the Company's previously designated TRS in the normal course of business, which continues to be driven primarily by deferred tax benefit on equity-based compensation.

Loss from Discontinued Operations

(In thousands)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	Change	2022	2021	Change
Revenues						
Revenues	\$ 6,375	\$ 218,456	\$ (212,081)	\$ 88,658	\$ 695,186	\$ (606,528)
Expenses	(7,601)	(199,369)	191,768	(245,236)	(1,162,513)	917,277
Other gain (loss)	(16,631)	(26,765)	10,134	10,444	(100,330)	110,774
Income tax benefit (expense)	(8,532)	(2,751)	(5,781)	(2,424)	(22,938)	20,514
Loss from discontinued operations	(26,389)	(10,429)	(15,960)	(148,558)	(590,595)	442,037
Income (Loss) from discontinued operations attributable to noncontrolling interests:						
Investment entities	(10,227)	(85,741)	75,514	(16,016)	(346,205)	330,189
Operating Company	(1,156)	7,177	(8,333)	(10,433)	(23,354)	12,921
Income (Loss) from discontinued operations attributable to DigitalBridge Group, Inc.	\$ (15,006)	\$ 68,135	(83,141)	\$ (122,109)	\$ (221,036)	98,927

Discontinued operations represent primarily the operations of the following businesses: (1) Wellness Infrastructure prior to its disposition in February 2022; (2) opportunistic investments in our OED portfolio and credit investment management business in Other IM prior to disposition of our equity interest and deconsolidation in December 2021; and (3) the Company's hotel business prior to its disposition in March 2021, with the remaining hotel portfolio that was in receivership sold by the lender in September 2021.

The net loss year-to-date in 2022 is attributed to the disposition of NRF Holdco in February 2022, specifically, a write-off of unamortized deferred financing costs on the Wellness Infrastructure debt assumed by the buyer and impairment loss recognized based upon the final carrying value of net assets of the Wellness Infrastructure business upon disposition. In the quarter-to-date period in 2022, losses were incurred in connection with investment dispositions and fair value decreases.

The net loss in 2021 was driven by significant impairment expense and decreases in asset fair values based upon the selling price of our Wellness Infrastructure and OED portfolios. Impairment of our investment assets in the third quarter of 2021 were largely offset by various gains recognized during the period, including a gain on extinguishment of debt on our hotel portfolio that was sold in September 2021. Such gains were attributed predominantly to DBRG while impairment loss was largely attributable to noncontrolling interests in investment entities, resulting in a net income attributed to DBRG in the third quarter of 2021.

A detailed income statement on discontinued operations is included in Note 12 to the consolidated financial statements.

Preferred Stock Repurchases/Redemptions

In the third quarter of 2022, net loss attributable to common stockholders was reduced by \$1.1 million, reflecting the discount on the repurchases of preferred stock.

In connection with the redemption of Series G preferred stock in August 2021, net income attributable to common stockholders was reduced by \$2.9 million, representing the excess of the \$25.00 per share redemption price over the carrying value of the preferred stock which is net of issuance cost.

Non-GAAP Supplemental Financial Measures

Following our decision not to maintain qualification as a REIT for 2022, we no longer present Funds From Operations, a supplemental non-GAAP measure commonly used by equity REITs.

Resulting from the significant growth in our digital investment management business, effective the second quarter of 2022, we report Distributable Earnings ("DE"), Adjusted Earnings before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") and, specific to our Digital IM segment, Fee Related Earnings ("FRE") as non-GAAP financial measures attributable to the Operating Company, which more closely align the key performance metrics of our core business to the alternative investment management industry.

We use these non-GAAP financial measures in evaluating the Company's business performance and in making operating decisions. As we evaluate profitability based upon continuing operations, these non-GAAP measures exclude results from discontinued operations.

These non-GAAP financial measures should not be considered alternatives to GAAP net income or loss as indicators of operating performance, or to cash flows from operating activities as measures of liquidity, nor as indicators of the availability of funds for our cash needs, including funds available to make distributions. Our calculation of these non-GAAP measures may differ from methodologies utilized by other companies for similarly titled performance measures and, as a result, may not be directly comparable to those calculated by other companies in similar lines of business.

Results of our non-GAAP measures attributable to the Operating Company were as follows:

<i>(In thousands)</i>	Three Months Ended September 30, 2022	
Attributable to Operating Company:		
Distributable Earnings	\$	39,317
Adjusted EBITDA		29,097
Digital IM FRE		21,498

Distributable Earnings

Distributable Earnings is an after-tax measure that differs from GAAP net income or loss from continuing operations as a result of the following adjustments, including adjustment for our share of similar items recognized by our equity method investments: transaction-related costs; restructuring charges (primarily severance and retention costs); realized and unrealized gains and losses, except realized gains and losses related to digital assets in Corporate and Other; depreciation, amortization and impairment charges; debt prepayment penalties and amortization of deferred financing costs, debt premiums and debt discounts; our share of unrealized carried interest, net of associated compensation expense; equity-based compensation expense; equity method earnings to reflect only cash dividends declared by BRSP; effect of straight-line lease income and expense; impairment of equity investments directly attributable to decrease in value of depreciable real estate held by the investee; non-revenue enhancing capital expenditures necessary to maintain operating real estate; and income tax effect on certain of the foregoing adjustments. Income taxes included in DE reflect the benefit of deductions arising from certain expenses that are excluded from the calculation of DE, such as equity-based compensation, as these deductions do decrease actual income tax paid or payable by the Company in any one period.

We believe that DE is a meaningful supplemental measure as it reflects the ongoing operating performance of our core business by generally excluding items that are non-core in nature, and allows for better comparability of operating results period-over-period and to other companies in similar lines of business.

Adjusted EBITDA

Adjusted EBITDA represents DE adjusted to exclude: interest expense as included in DE, income tax expense or benefit as included in DE, preferred stock dividends, equity method earnings as included in DE, placement fee expense, our share of realized carried interest and incentive fees net of associated compensation expense, certain investment costs for capital raising that are not reimbursable by our sponsored funds, and capital expenditures as deducted in DE.

We believe that Adjusted EBITDA is a meaningful supplemental measure of performance because it presents the Company's operating performance independent of its capital structure, leverage and non-cash items, which allows for better comparability against entities with different capital structures and income tax rates. However, because Adjusted EBITDA is calculated before recurring cash charges including interest expense and taxes and does not deduct capital expenditures or other recurring cash requirements, its usefulness as a performance measure may be limited.

Distributable Earnings and Adjusted EBITDA reconciliation

(In thousands)	Three Months Ended September 30, 2022
Net loss attributable to common stockholders	\$ (63,273)
Net loss attributable to noncontrolling interests in Operating Company	(4,834)
Net loss attributable to Operating Company	(68,107)
Transaction-related and restructuring charges	23,249
Other (gains) losses, excluding realized gains or losses related to digital assets in Corporate and Other	51,162
Unrealized carried interest, net of associated compensation expense	(1,228)
Equity-based compensation expense	18,619
Depreciation and amortization	149,131
Straight-line rent (revenue) and expense, net	(8,895)
Amortization of acquired above- and below-market lease values, net	80
Non-revenue enhancing capital expenditures	(10,992)
Debt prepayment penalties and amortization of deferred financing costs, debt premiums and debt discounts	5,627
Adjustment to equity method earnings to reflect BRSP cash dividend declared	10,201
Adjustments attributable to noncontrolling interests in investment entities ⁽¹⁾	(136,338)
DE of discontinued operations	6,808
Distributable Earnings (after tax)—attributable to Operating Company	39,317
<i>Adjustments attributable to Operating Company:</i>	
Interest expense included in DE	16,348
Income tax benefit included in DE	(7,839)
Preferred stock dividends	15,283
Equity method earnings included in DE	(16,285)
Realized carried interest, net of associated compensation expense	(20,258)
Non-revenue enhancing capital expenditures deducted from DE	2,531
Adjusted EBITDA—attributable to Operating Company	\$ 29,097

⁽¹⁾ Noncontrolling interests' share of adjustments pertain largely to depreciation and amortization and unrealized carried interest, net of associated compensation expense.

Digital IM FRE

Digital IM FRE is calculated as recurring fee income and other income inclusive of cost reimbursements associated with administrative expenses, and net of compensation expense (excluding equity-based compensation, carried interest and incentive compensation) and administrative expense (excluding placement fees and straight-line rent expense). Digital IM FRE is used to assess the extent to which direct base compensation and operating expenses are covered by recurring fee revenues in the digital investment management business. We believe that Digital IM FRE is a useful supplemental performance measure because it may provide additional insight into the profitability of the overall digital investment management business.

Digital IM FRE is measured as Adjusted EBITDA for the Digital IM segment, adjusted to reflect the Company's Digital IM segment as a stabilized business by excluding FRE associated with new investment strategies that have 1) not yet held a first close raising FEEUM; or 2) not yet achieved break-even Adjusted EBITDA only for investment products that may be terminated solely at the Company's discretion, collectively referred to as "Start-up FRE." The Company evaluates new investment strategies on a regular basis and excludes Start-Up FRE from Digital IM FRE until such time a new strategy is determined to form part of the Company's core investment management business.

Digital IM FRE reconciliation

(In thousands)	Three Months Ended September 30, 2022	
Digital Investment Management		
Net income	\$	46,065
Interest expense, net of interest income		2,906
Investment expense and reimbursement (income), net		230
Depreciation and amortization		5,369
Equity-based compensation		2,654
Incentive fee and carried interest compensation expense		80,831
Straight-line rent expense		68
Transaction-related and restructuring charges		2,317
Incentive fee and carried interest		(121,698)
Equity method earnings		(1,016)
Other loss, net		110
Income tax expense		1,263
Digital IM Adjusted EBITDA		19,099
Start-up FRE		2,399
Digital IM FRE—attributable to Operating Company	\$	21,498

Liquidity and Capital Resources

Overview

We believe we have sufficient cash on hand, and anticipated cash generated from operating activities and external financing sources, to meet our short term and long term capital requirements.

In addition to corporate-level cash at September 30, 2022, our liquidity position is approximately \$718 million, including the full \$300 million availability under our VFN and the subsequent release of \$22 million of distributions received from DBP II out of restricted cash. In the normal course of business, we continue to seek and capitalize on opportunities to syndicate our investments to third party co-investors. We also have access to the capital markets to raise additional funds, namely through issuance of additional series of notes under our securitized financing facility.

We regularly evaluate our liquidity position, debt obligations, and anticipated cash needs to fund our operating and investing activities, based upon our projected financial and operating performance, and investment opportunities. Our evaluation of future liquidity requirements is regularly reviewed and updated for changes in internal projections, economic conditions, competitive landscape and other factors. At this time, while we have sufficient liquidity to meet our operational needs, we continue to evaluate alternatives to manage our capital structure and market opportunities to strengthen our liquidity and provide further operational and strategic flexibility.

Significant Liquidity and Capital Activities in 2022

- Through October 2022, we received total proceeds of \$366 million, including our share of carried interest net of allocation to employees, from partially monetizing our interest in DataBank.
- We continue to reduce higher cost corporate indebtedness through early exchange of an additional \$60 million of senior notes in March 2022, and repurchase of \$52.6 million of preferred stock at a discount to par, which will generate future savings in interest and preferred dividends.
- Effective April 2022, the availability under our VFN was increased by \$100 million to \$300 million.
- We monetized our Wellness Infrastructure business in February 2022 for \$161 million in cash, including cash distributions received from NRF Holdco prior to closing of the sale.

Liquidity Needs and Sources of Liquidity

Our primary liquidity needs are to fund:

- acquisitions of target digital assets for our balance sheet and related ongoing commitments;
- our general partner and co-investment commitments to our investment vehicles;
- warehouse investments pending the raising of third party capital for future investment vehicles;

- principal and interest payments on our debt;
- our operations, including compensation, administrative and overhead costs;
- obligation for lease payments, principally leasehold data centers and corporate offices;
- our liability for corporate and other taxes;
- development, construction and capital expenditures on our operating real estate; and
- distributions to our common and preferred stockholders (to the extent distributions have not been suspended).

Our primary sources of liquidity are:

- cash on hand;
- fees received from our investment management business, including the Company's share of realized net incentive fees or carried interest, if any;
- cash flow generated from our investments, both from operations and return of capital;
- availability under our VFN;
- issuance of additional term notes under our corporate securitization;
- third party co-investors in our consolidated investments and/or businesses;
- proceeds from full or partial realization of investments;
- investment-level financing; and
- proceeds from public or private equity and debt offerings.

Investment Commitments

Fund Commitments—As of September 30, 2022, we have unfunded commitments of \$142 million to its sponsored funds.

Wafra Redemption—In connection with the May 2022 redemption of Wafra's interest in our Digital IM business, additional contingent consideration of up to \$125 million may be payable in March 2023 and/or March 2024, with up to 50% payable in shares of our class A common stock at our election.

Acquisition of Infrastructure Investment Management Platform—We have committed to acquire AMP Capital's global infrastructure equity investment management platform for \$314 million in cash. The acquisition is expected to close in the fourth quarter of 2022. Additional contingent consideration of up to \$125 million may become payable based upon achievement of future fundraising targets.

Lease Obligations

At September 30, 2022, we have \$137.5 million and \$477 million of finance and operating lease obligations, respectively, that were assumed through acquisitions, principally in connection with leasehold data centers and ground space hosting tower communication sites, and \$36 million of operating lease obligations on our corporate offices. These amounts represent fixed lease payments, excluding any contingent or other variable lease payments, and factor in lease renewal or termination options only if it is reasonably certain that such options would be exercised. These lease obligations will be funded through operating cash generated by the investment properties and corporate operating cash, respectively.

Dividends

Common Stock—The Company reinstated quarterly common stock dividends beginning the third quarter of 2022, with the declaration of a dividend of \$0.01 per share of common stock that was paid in October 2022.

Preferred Stock—At September 30, 2022, we have outstanding preferred stock totaling \$828 million, bearing a weighted average dividend rate of 7.135% per annum, with aggregate dividend payments of \$14.8 million per quarter.

Stock Repurchase

Through October 2022, we have repurchased \$107.6 million in aggregate of preferred and common stock pursuant to a stock repurchase program. Approximately \$92 million remains available out of the \$200 million repurchase program, which may be extended, modified, or discontinued at any time by our Board of Directors.

Cash From Operations

Our investments generate cash, either from operations or as a return of our invested capital. We primarily generate revenue from net operating income of our digital infrastructure business, which is partially offset by interest expense

associated with non-recourse borrowings on our digital portfolio. We also receive periodic distributions from our equity investments, including our GP co-investments.

Additionally, we generate fee related earnings from our digital investment management business. Following the redemption of Wafra's 31.5% interest in our Digital IM business in May 2022, 100% of fee related earnings are attributable to us. Management fee income is generally a predictable and stable revenue stream, while carried interest and incentive fees are by nature less predictable in amount and timing. Our ability to establish new investment vehicles and raise investor capital depends on general market conditions and availability of attractive investment opportunities as well as availability of debt capital.

Carried Interest Distributed

Through October 2022, we received our share of realized carried interest of \$22.5 million (net of allocation to employees) in connection with the DataBank recapitalization and DBP I's liquidation of Wildstone.

Warehoused Investments

We temporarily warehouse investments on behalf of prospective sponsored investment vehicles that are actively fundraising. The warehoused investments are transferred to the investment vehicle when sufficient third party capital, including debt, is raised.

In the third quarter of 2022, we received a return of \$98 million in total capital from the transfer of warehoused loans to our newly launched digital credit fund and to a third party sponsored CLO, along with repayment of the corresponding debt.

At September 30, 2022, our largest warehoused investment is TowerCo that was acquired in June 2022, for which we funded \$278 million at acquisition. Other warehoused investments include \$55 million of equity investments and one remaining loan of \$38 million for which the transfer to our digital credit fund is expected to be completed in the fourth quarter of 2022.

Asset Monetization

We periodically monetize our investments through opportunistic asset sales or to recycle capital from non-core assets.

DataBank—Through October 2022, we have partially monetized our interest in DataBank and received total proceeds of \$366 million, including our share of carried interest net of allocation to employees. We anticipate the completion of another closing of the recapitalization of DataBank prior to the end of 2022, which will result in further monetization of our interest in DataBank.

Wellness Infrastructure—In completing our digital transformation, we monetized our Wellness Infrastructure assets in February 2022 for \$161 million in cash, including cash distributions received from NRF Holdco prior to closing of the sale, and \$155 million in note receivable.

Debt

Description of our debt obligations is included in Note 8 to the consolidated financial statements. Our indebtedness at September 30, 2022 is summarized as follows:

(\$ in thousands)	Outstanding Principal	Weighted Average Interest Rate ⁽¹⁾ (Per Annum)	Weighted Average Years Remaining to Maturity ⁽²⁾
Corporate-level debt:			
Secured fund fee revenue notes	\$ 300,000	3.93 %	4.0
Convertible and exchangeable senior notes	278,422	5.21 %	1.2
Non-recourse investment level secured debt:			
Fixed rate	3,729,979	2.53 %	
Variable rate	1,085,733	6.70 %	
	<u>4,815,712</u>	3.47 %	3.4
Total debt	<u>\$ 5,394,134</u>		

⁽¹⁾ Calculated based upon outstanding debt principal at balance sheet date. For variable rate debt, weighted average interest rate is calculated based upon the applicable index plus spread at balance sheet date.

⁽²⁾ Calculated based upon anticipated repayment dates for notes issued under securitization financing; otherwise based upon initial maturity dates, or extended maturity dates if extension criteria are met for extensions that are at the Company's option.

Scheduled principal payments on our debt obligations at September 30, 2022 were as follows.

(In thousands)	Remaining 2022	2023	2024	2025	2026	2027 and thereafter	Total
Secured fund fee revenue notes	\$ —	\$ —	\$ —	\$ —	\$ 300,000	\$ —	\$ 300,000
Convertible and exchangeable senior notes	—	200,000	—	78,422	—	—	278,422
Investment-level secured debt							
Digital Operating	1,558	228,792	879,003	1,146,517	1,649,690	600,000	4,505,560
Other	—	—	11,300	—	—	298,852	310,152
Total	\$ 1,558	\$ 428,792	\$ 890,303	\$ 1,224,939	\$ 1,949,690	\$ 898,852	\$ 5,394,134

Debt maturities and future debt principal payments are presented based upon anticipated repayment dates for notes issued under securitization financing, otherwise based upon initial maturity dates or extended maturity dates if extension criteria are met at September 30, 2022 for extensions that are at the Company's option.

Securitized Financing Facility

As of the date of this filing, we are in compliance with all of the financial covenants under the securitized financing facility.

As noted above, our VFN availability was increased \$100 million to \$300 million in April 2022, with the full amount available to be drawn as of September 30, 2022.

Non-Recourse Investment-Level Secured Debt

Investment level financing is non-recourse to us and secured by the respective underlying real estate or loans receivable.

Significant Developments in 2022

- *Dispositions*—Investment-level debt of \$2.86 billion held by NRF Holdco (previously classified as held for disposition) was assumed by the acquirer upon sale of NRF Holdco in February 2022. In August 2022, \$173 million of debt previously financing warehoused loans was repaid following a transfer of the loans into a third party sponsored CLO. These transactions resulted in further deleveraging of our balance sheet.
- *Acquisition*—Additional \$313 million of debt was undertaken to partially fund the acquisition of TowerCo in June 2022. The debt is expected to be assumed by our new sponsored investment vehicle, along with the TowerCo assets, when sufficient third party capital has been raised.

Public Offerings

We may offer and sell various types of securities under our shelf registration statement. These securities may be issued from time to time at our discretion based on our needs and depending upon market conditions and available pricing.

Cash Flows

The following table summarizes the activities from our statements of cash flows.

(In thousands)	Nine Months Ended September 30,	
	2022	2021
Net cash provided by (used in):		
Operating activities	\$ 194,773	\$ 181,412
Investing activities	(1,929,361)	85,698
Financing activities	741,772	198,221

Operating Activities

Cash inflows from operating activities are generated primarily through fee income, including incentive fees, and distributions of our share of net carried interest from our investment management business, property operating income from our real estate investments, interest received from our warehoused loans, and distributions of earnings received from equity investments. This is partially offset by payment of operating expenses, including property management and operations, investment transaction-related costs, as well as compensation and general administrative costs.

Our operating activities generated net cash inflows of \$194.8 million in 2022 and \$181.4 million in 2021.

Investing Activities

Investing activities include primarily cash outlays for acquisition of real estate, origination or acquisition of warehoused loans and disbursement on subsequent drawdowns, and new equity investments and subsequent contributions. These are partially offset by repayments, sales and transfers of warehoused loans receivable, distributions of capital received from equity investments, and proceeds from sale of real estate and equity investments.

Our investing activities generated net cash outflows of \$1.9 billion in 2022 and net cash inflows of \$85.7 million in 2021.

- *Real estate investments*—Real estate investing activities generated net cash outflows in both years.

Outflows were significantly higher in 2022 totaling \$1.8 billion, attributed primarily to the acquisition of TowerCo, and to a lesser extent, DataBank's acquisition of five data centers, capital expenditures in our data center portfolio and payments for build-out of expansion capacity and lease-up within the Vantage SDC portfolio. Also contributing to the cash outflows was cash assumed by the buyer in the sale of real estate investment holding entities in our Wellness Infrastructure business. All of these outflows were partially offset by proceeds received from our Wellness Infrastructure sale.

2021 saw net cash outflows of \$244.7 million as add-on acquisitions in the Vantage SDC portfolio and capital expenditures were partially offset by proceeds from sales of various properties in Europe, in our Wellness Infrastructure segment and our hotel business.

- *Debt investments*—Our debt investments generated net cash inflows in both years.

Net cash inflows in 2022 was relatively immaterial at \$4.6 million as we have largely transferred our acquired or originated warehoused loans to a sponsored fund and a third party sponsored CLO.

In 2021, net cash inflows of \$390.8 million can be attributed to loan repayments, in particular a \$305.0 million repayment received on two loans in our Irish loan portfolio, partially offset by acquisition or origination of warehoused loans, and acquisition of additional N-Star CDOs at a discount by our Wellness Infrastructure segment.

- *Equity investments*—Our equity investments generated net cash inflows in 2022 and net cash outflows in 2021.

In 2022, our equity investments recorded net cash inflows of \$97.4 million, largely representing the trading activities in marketable equity securities by our consolidated liquid funds, and a return of capital from the first sale of investment by DBP I, partially offset by additional contributions to our digital funds.

2021 saw net cash outflows of \$56.2 million in connection with our equity investments. This can be attributed largely to funding of our digital fund commitments and draws on acquisition, development and construction ("ADC") loans that were accounted for as equity method investments, partially offset by net proceeds of approximately \$81.8 million from sales of 9.5 million BRSP shares, as well as trading activities in marketable equity securities by our consolidated funds in the digital liquid strategy.

Financing Activities

We finance our investing activities largely through investment-level secured debt and capital from co-investors. We also draw upon our securitized financing facility to finance our investing and operating activities, as well as have the ability to raise capital in the public markets through issuances of preferred stock, common stock and private placement notes. Accordingly, we incur cash outlays for payments on our investment-level and corporate debt, dividends to our preferred stockholders and common stockholders (common dividends were reinstated beginning the third quarter of 2022), as well as distributions to noncontrolling interests in our various investments.

Financing activities generated net cash inflows of \$741.8 million in 2022 and \$198.2 million in 2021.

- In 2022, the large net cash inflow of \$741.8 million was driven by financing for the acquisitions of TowerCo and the DataBank data center acquisition through term loans and capital contributions from noncontrolling interests totaling \$1.1 billion. Additionally, cash inflows included our share of proceeds recorded in equity of \$302.8 million from sale of a portion of our interest in our DataBank subsidiary in connection with the DataBank recapitalization in August 2022 that was treated as an equity transaction (Note 10). These inflows were partially offset by \$388.5 million of cash paid to redeem Wafra's interest in our digital investment management business in May 2022. Financing cash outflows also included repayment of our warehouse credit facility of \$172.5 million with proceeds from a transfer of

the warehoused loans to a third party CLO, and paydowns on amortizing debt in our Digital Operating business. Other notable cash outflows included preferred and common stock repurchases totaling \$60.8 million and distributions to various noncontrolling interests. Dividend payments were \$47.6 million in 2022, which is lower than 2021 following preferred stock redemptions during 2021 and repurchases during 2022.

- The financing net cash inflows of \$198.2 million in 2021 were driven by \$285.9 million of borrowings exceeding debt repayments. Investment-level financing activities included primarily borrowings by Vantage SDC to finance an add-on acquisition and expansion capacity, issuance of securitized notes by DataBank that was largely used to refinance its existing debt, and repayment of debt financing real estate in Europe that were sold during the year. We replaced our corporate credit facility with a securitized financing facility, from which we received \$285.1 million of net proceeds in July through issuance of Class A-2 Notes, some of which were applied to redeem preferred stock in August for \$86.8 million. Additionally, there was \$73.3 million of net contributions from noncontrolling interests. Such contributions were composed largely of a syndication of our interest to a new third party investor in our zColo investment vehicle, assumption of a portion of our commitments to DCP I by Wafra, and additional consideration paid by Wafra for its investment in our digital investment management business. Dividend payments were \$56.1 million in 2021.

Risk Management

Risk management is a significant component of our strategy to deliver consistent risk-adjusted returns to our stockholders. The audit committee of our board of directors, in consultation with our chief risk officer, internal auditor and management, maintains oversight of risk management matters, and 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, financing risk, foreign currency risk and market risk, and the steps that management has taken to monitor and control such risks.

Underwriting and Investment Process

In connection with executing any new investment in digital assets for our balance sheet or a managed investment vehicle, our underwriting team undertakes a comprehensive due diligence process to ensure that we understand all of the material risks involved with making such investment, in addition to related accounting, legal, financial and business issues. If the risks can be sufficiently mitigated in relation to the potential return, we will pursue the investment on behalf of our balance sheet and/or investment vehicles, subject to approval from the applicable investment committee, composed of senior executives of the Company.

Specifically, as part of our underwriting process, we evaluate and review the following data, including, but not limited to: financial data including historical and budgeted financial statements, tenant or customer quality, lease terms and structure, renewal probability, capital expenditure plans, sales pipeline, technical/energy requirements and supply, local and macroeconomic market conditions, leverage and comparable transactions, environmental, social and governance considerations, as applicable. For debt investments, we also analyze metrics such as loan-to-collateral value ratios, debt service coverage ratios, debt yields, sponsor credit ratings and performance history.

In addition to evaluating the merits of any particular proposed investment, we evaluate the diversification of our or a particular managed investment vehicle's portfolio of assets, as the case may be. Prior to making a final investment decision, we determine whether a target asset will cause the portfolio of assets to be too heavily concentrated with, or cause too much risk exposure to, any one digital real estate sector, geographic region, source of cash flow such as tenants or borrowers, or other geopolitical issues. If we determine that a proposed investment presents excessive concentration risk, we may decide not to pursue an otherwise attractive investment.

Allocation Procedures

We currently manage, and may in the future manage, private funds, REITs and other entities that have investment and/or rate of return objectives similar to our own or to other investment vehicles that we manage. In order to address the risk of potential conflicts of interest among us and our managed investment vehicles, we have implemented an investment allocation policy consistent with our duty as a registered investment adviser to treat our managed investment vehicles fairly and equitably over time. Pursuant to this policy, and subject to certain priority rights in our DBP funds, investment allocation decisions are based on a suitability assessment involving a review of numerous factors, including the particular source of capital's investment objectives, available cash, diversification/concentration, leverage policy, the size of the investment, tax, anticipated pipeline of suitable investments and fund life.

Portfolio Management

The comprehensive portfolio management process generally includes day-to-day oversight by the Company's portfolio management team, regular management meetings and quarterly asset review process. These processes are designed to enable management to evaluate and proactively identify investment-specific issues and trends on a portfolio-wide basis for both assets on our balance sheet and assets of the companies within our investment management business. Nevertheless, we cannot be certain that such review will identify all issues within our portfolio due to, among other things, adverse economic conditions or events adversely affecting specific assets; therefore, potential future losses may also stem from investments that are not identified during these reviews.

We use many methods to actively manage our risk to preserve our income and capital, including, but not limited to, maintaining dialogue with tenants, operators, partners and/or borrowers and performing regular inspections of our collateral and owned properties. With respect to our wellness infrastructure properties, we consider the impact of regulatory changes on operator performance and property values. During a quarterly review, or more frequently as necessary, investments are monitored and identified for possible asset impairment or loan loss reserves, as applicable, based upon several factors, including missed or late contractual payments, significant declines in property operating performance and other data which may indicate a potential issue in our ability to recover our invested capital from an investment. In addition, we may utilize services of certain strategic partnerships and joint ventures with third parties with relevant expertise to assist our portfolio management.

In order to maintain our exemption from registration under the 1940 Act, and maximize returns and manage portfolio risk, we may dispose of an asset earlier than anticipated or hold an asset longer than anticipated if we determine it to be appropriate depending upon prevailing market conditions or factors regarding a particular asset. We can provide no assurances, however, that we will be successful in identifying or managing all of the risks associated with acquiring, holding or disposing of a particular asset or that we will not realize losses on certain assets.

Interest Rate and Foreign Currency Hedging

Subject to maintaining our exemption from registration under the 1940 Act, we may mitigate the risk of interest rate volatility through the use of hedging instruments, such as interest rate swap agreements and interest rate cap agreements. The goal of our interest rate management strategy is to minimize or eliminate the effects of interest rate changes on the value of our assets, to improve risk-adjusted returns and, where possible, to lock in, on a long-term basis, a favorable spread between the yield on our assets and the cost of financing such assets. In addition, because we are exposed to foreign currency exchange rate fluctuations, we employ foreign currency risk management strategies, including the use of, among others, currency hedges, and matched currency financing. We can provide no assurances, however, that our efforts to manage interest rate and foreign currency exchange rate volatility will successfully mitigate the risks of such volatility on our portfolio.

Critical Accounting Policies and Estimates

Our financial statements are prepared in accordance with GAAP, which requires the use of estimates and assumptions that involve the exercise of judgment and that affect the reported amounts of assets, liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Our critical accounting policies and estimates are integral to understanding and evaluating our reported financial results as they require subjective or complex management judgments, resulting from the need to make estimates about the effect of matters that are inherently uncertain and unpredictable.

There have been no changes to our critical accounting policies or those of our unconsolidated joint ventures since the filing of our Annual Report on Form 10-K for the year ended December 31, 2021.

With respect to all critical estimates, we have established policies and control procedures which seek to ensure that estimates and assumptions are appropriately governed and applied consistently from period to period. We believe that all of the decisions and assessments applied were reasonable at the time made, based upon information available to us at that time. Due to the inherently judgmental nature of the various projections and assumptions used, and unpredictability of economic and market conditions, actual results may differ from estimates, and changes in estimates and assumptions could have a material effect on our financial statements in the future.

Recent Accounting Updates

The effects of accounting standards adopted in 2022 and the potential effects of accounting standards to be adopted in the future are described in Note 2 to our consolidated financial statements in Item 1 of this Quarterly Report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Market risk represents the risk of financial loss from adverse movement in market prices. The primary sources of market risk are interest rates, foreign currency exchange rates, commodity prices, and equity prices.

Our business is exposed primarily to interest rate risk on variable rate interest bearing instruments, foreign exchange risk on non U.S. digital operating business and foreign denominated investments, the effect of market risk on our fee income and net carried interest allocation, equity price risk on marketable equity securities, and commodity price risk in connection with our digital operating business.

The following discussion excludes the effect of market risk on assets and corresponding liabilities that were held for disposition at September 30, 2022.

Interest Rate Risk

Instruments bearing variable interest rates include our debt obligations and loans receivable warehoused on the balance sheet for future sponsored investment vehicles, all of which are subject to interest rate fluctuations that will affect future cash flows, specifically interest expense and interest income, respectively.

Variable Rate Debt—Our corporate debt exposure to variable interest rates is limited to our VFN revolver, which was fully repaid as of September 30, 2022. In terms of investment level financing which totals \$4.8 billion, this consists primarily of fixed rate securitized notes issued by our digital operating subsidiaries, Vantage SDC and DataBank, and fixed rate term debt financing TowerCo. Of this amount, \$1.09 billion or 23% is composed of variable rate debt at September 30, 2022. Our variable rate debt is indexed largely to either 1-month or 3-month LIBOR, or 6-month Euribor. At September 30, 2022, our exposure to interest rate on the TowerCo variable rate debt is economically hedged with interest rate swaps. As our digital operating subsidiaries are substantially owned by third party investors, the resulting increase in interest expense from higher interest rates will be attributed predominantly to noncontrolling interests, with a minimal share of that effect attributed to DBRG. Based upon the outstanding principal on our variable rate debt at September 30, 2022, a hypothetical 100 basis point increase in interest rates would increase annualized interest expense, net of the effect of interest rate hedges, by \$8.8 million on a consolidated basis or \$1.2 million after attribution to noncontrolling interests.

Variable Rate Loans Receivable—We hold one warehoused variable rate loan receivable of \$38 million at September 30, 2022, for which the transfer to our newly launched digital credit fund is expected to be completed in the fourth quarter of 2022. The risk of a decrease in interest rates that would reduce our interest income from the loan is low given the current increasing interest rate environment and the temporary nature of our holding.

Foreign Currency Risk

As of September 30, 2022, we have limited direct foreign currency exposure from our foreign operations in the digital operating business and foreign currency denominated investments warehoused on the balance sheet for future sponsored vehicles. Changes in foreign currency rates can adversely affect earnings and the value of our foreign currency denominated investments, including investments in our foreign subsidiaries.

We have exposure to foreign currency risk from the operations of our foreign subsidiaries to the extent these subsidiaries do not transact in U.S. dollars. This applies to our foreign subsidiaries that operate six colocation data centers in the U.K. and France, and TowerCo assets in Belgium. For the substantial majority of our subsidiaries in Canada that operate our hyperscale data centers, the U.S. dollar is used as the transactional currency, in which case, there is no foreign currency exposure. The remaining foreign subsidiaries in our colocation data center business that do not transact in U.S. dollars make up only a small percentage of our overall digital operating business, which in turn is substantially owned by third party investors. As it relates to our EUR denominated equity investment in TowerCo, we have entered into foreign exchange contracts as a net investment hedge. Accordingly, our exposure to foreign currency risk from the operations of our foreign subsidiaries is limited as of September 30, 2022.

Our foreign currency denominated investments, which are temporarily warehoused on the balance sheet, are held by our U.S. subsidiaries. We generally mitigate foreign currency risk on our foreign currency denominated investments by utilizing currency instruments as economic hedges, such as foreign currency put options, forward contracts and costless collars. The maturity dates of these instruments approximate the projected dates of related cash flows from the respective investments. At September 30, 2022, our foreign currency exposure consisted of a GBP loan receivable (£35 million) and an AUD equity investment (A\$35 million). As of September 30, 2022, we have entered into foreign exchange forward contracts to mitigate our GBP exposure.

In connection with our commitment to acquire AMP Capital, our consideration payable in U.S. dollar equivalent is largely fixed based upon the foreign exchange rate as of the date of the purchase agreement. The consideration is payable in U.S. dollars at the spot foreign exchange rate on the closing date of the acquisition, provided that such rate is not A\$0.02 higher or lower than the rate on the date of the purchase agreement.

Market Risk Effect on Fee Income and Net Carried Interest Allocation

Management Fees—To the extent management fees are based upon fair value of the underlying investments of our managed investment vehicles, an increase or decrease in fair value will directly affect our management fee income. Generally, our management fee income is calculated based upon investors' committed capital during the commitment period of the vehicle, and thereafter, contributed or invested capital during the investing and liquidating periods. To a lesser extent, management fees are based upon the net asset value of vehicles in our digital liquid securities strategy, measured at fair value. At September 30, 2022, our digital liquid securities strategy make up 4.9% of our \$21 billion FEEUM. Accordingly, most of our management fee income will not be directly affected by changes in investment fair values.

Incentive Fees and Carried Interest—Incentive fees and carried interest, net of management allocations, are earned based upon the financial performance of a vehicle above a specified return threshold, which is largely driven by appreciation in value of underlying investments. Carried interest is subject to reversal until such time it is realized, which generally occurs upon disposition of all underlying investments of an investment vehicle, or in part with each disposition. The extent of the effect of fair value changes to the amount of incentive fees and carried interest earned will depend upon the cumulative performance of an investment vehicle relative to its return threshold, the performance measurement period used to calculate incentives and carried interest, and the stage of the vehicle's lifecycle. Investment fair values in turn could be affected by various factors, including but not limited to, the financial performance of the portfolio company, economic conditions, foreign exchange rates, comparable transactions in the market, and equity prices for publicly traded securities. Therefore, fair value changes are unpredictable and the effect on incentive fee and carried interest varies across different investment vehicles.

Equity Price Risk

At September 30, 2022, we had \$150.0 million of long positions and \$35.1 million of short positions in marketable equity securities, held predominantly by our consolidated sponsored liquid funds. Realized and unrealized gains and losses from marketable equity securities are recorded in other gain (loss) on the consolidated statement of operations. Market prices for publicly traded equity securities may fluctuate due to a myriad of factors, including but not limited to, financial performance of the investee, industry conditions, economic and political environment, trade volume, and general sentiments in the equity markets. Therefore the level of volatility and price fluctuations are unpredictable. Our funds constantly rebalance their investment portfolio to take advantage of market opportunities and to manage risk. Additionally, one of our funds employs a long/short equity strategy, taking long positions that serve as collateral for short positions, which in combination, reduces its market risk exposure. The effect of equity price decreases to earnings attributable to our shareholders is further reduced as our consolidated liquid funds are substantially owned by third party capital, which represent noncontrolling interests.

Commodity Price Risk

Certain operating costs in our data center portfolio are subject to price fluctuations caused by volatility of underlying commodity prices, primarily electricity used in our data center operations. We closely monitor the cost of electricity at all of our locations and may enter into power utility contracts to purchase electricity at fixed prices in certain locations in the U.S., with such contracts generally representing less than our forecasted usage. Our building of new data centers and expansion of existing data centers will also subject us to commodity price risk with respect to building materials such as steel and copper. Additionally, the lead time to procure data center equipment is substantial and procurement delays could increase construction cost and delay revenue generation.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) of the Exchange Act) that are designed to ensure that information required to be disclosed in our reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time period 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 for timely decisions regarding disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

As required by Rule 13a-15(b) of the Exchange Act, we have evaluated, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures. Based upon our evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at September 30, 2022.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act) during the quarter ended September 30, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

The Company may be involved in litigation and claims in the ordinary course of business. As of September 30, 2022, the Company was not involved in any material legal proceedings.

Item 1A. Risk Factors.

Other than as noted below, there have been no material changes from the risk factors previously disclosed in response to "Part I—Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2021 and "Part II—Item 1A. Risk Factors" of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2022, which are available on the SEC's website at www.sec.gov.

Extensive regulation in the United States and abroad affects our activities, increases the cost of doing business and creates the potential for significant liabilities that could adversely affect our business and results of operations.

Our business is subject to extensive regulation, including periodic examinations by governmental agencies and self-regulatory organizations in the jurisdictions in which we operate around the world. Many of these regulators, including U.S. and foreign government agencies and self-regulatory organizations and state securities commissions in the United States, are empowered to grant, and in specific circumstances to cancel, permissions to carry on particular activities, and to conduct investigations and administrative proceedings that can result in fines, suspensions of personnel or other sanctions, including censure, the issuance of cease-and-desist orders or the suspension or expulsion of applicable licenses and memberships.

In recent years, the SEC and its staff have focused on issues relevant to global investment firms and have formed specialized units devoted to examining such firms and, in certain cases, bringing enforcement actions against the firms, their principals and their employees. Such actions and settlements involving U.S.-based private fund advisers generally have involved a number of issues, including the undisclosed allocation of the fees, costs and expenses related to unconsummated co-investment transactions (i.e., the allocation of broken deal expenses), undisclosed legal fee arrangements affording the adviser greater discounts than those afforded to funds advised by such adviser and the undisclosed acceleration of certain special fees. Recent SEC focus areas have also included, among other things, the misuse of material non-public information, material impacts on portfolio companies owned by private funds (e.g., real estate related investments) due to recent economic conditions, and compliance with practices described in fund disclosures regarding the use of limited partner advisory committees, including whether advisory committee approvals were properly obtained in accordance with fund disclosures.

The SEC's oversight, inspections and examinations of global investment firms, including our firm, have continued to focus on transparency, investor disclosure practices, fees and expenses, valuation and conflicts of interest and whether firms have adequate policies and procedures to ensure compliance with federal securities laws in connection with these and other areas of focus. For example, our managed companies routinely engage our affiliated entities to provide asset level services, in accordance with the relevant fund legal documents. While we believe we have procedures in place reasonably designed to monitor and make appropriate and timely disclosures regarding the engagement and compensation of our affiliated services providers and other matters of current regulatory focus, the SEC's inspections of our firm have raised concerns about these and other areas of our operations. In September 2022, Colony Capital Investment Advisors, LLC (CCIA), the investment adviser to certain legacy funds and vehicles holding legacy assets, received an information request from the SEC's Division of Enforcement related principally to certain alleged deficiencies identified in a recent examination of CCIA relating to CCIA's compliance with its fiduciary duty, duty of care and disclosure of affiliate transactions involving certain legacy businesses and operations. We expect to cooperate with the SEC staff in this investigation. Although we believe that CCIA acted in accordance with applicable legal requirements and always conducted its business in the best interests of its clients, we have taken a number of steps to improve our investor disclosures and compliance processes in response to the CCIA examination. In addition, almost all of the relevant CCIA-managed investment vehicles and Colony legal entities have either been sold or wound down, and CCIA has not sponsored a new client investment vehicle in over two years and has no plans to do so. Nevertheless, at this time, we cannot predict the outcome of the SEC investigation, which could have a material adverse effect on our business, results of operations or financial condition.

In addition, in recent years the SEC and several states have initiated investigations alleging that certain private equity firms and hedge funds, or agents acting on their behalf, have paid money to current or former government officials or their associates in exchange for improperly soliciting contracts with the state pension funds (i.e., "pay to play")

practices). Such “pay to play” practices are subject to extensive federal and state regulation, and any failure on our part to comply with rules surrounding “pay to play” practices could expose us to significant penalties and reputational damage.

Further, we expect a greater level of SEC enforcement activity under the Biden administration, and it is possible this enforcement activity will target practices that we believe are compliant and that were not targeted by prior administrations. We regularly are subject to requests for information and informal or formal investigations by the SEC and other regulatory authorities, with which we routinely cooperate and, in the current environment, even historical practices that have been previously examined are being revisited. Even if an investigation or proceeding does not result in a sanction or the sanction imposed against us or our personnel by a regulator were small in monetary amount, the costs incurred in responding to such matters could be material and the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm our reputation and cause us to lose existing investors or fail to gain new investors or discourage others from doing business with us.

In addition, we regularly rely on exemptions from various requirements of the Securities Act, the Exchange Act, the 1940 Act, the Commodity Exchange Act and ERISA in conducting our investment activities in the United States. Similarly, in conducting our investment activities outside the United States, we rely on available exemptions from the regulatory regimes of various foreign jurisdictions. These exemptions from regulation within the United States and abroad are sometimes highly complex and may, in certain circumstances, depend on compliance by third parties whom we do not control. If for any reason these exemptions were to become unavailable to us, we could become subject to regulatory action or third party claims and our business could be materially and adversely affected. Moreover, the requirements imposed by our regulators are designed primarily to ensure the integrity of the financial markets and to protect investors in our funds and are not designed to protect our stockholders. Consequently, these regulations often serve to limit our activities and impose burdensome compliance requirements.

It is difficult to determine the full extent of the impact on us of any new laws, regulations or initiatives that may be proposed or whether any of the proposals will become law. Any changes in the regulatory framework applicable to our business, including the changes as a result of, among others, the Dodd-Frank Wall Street Reform and Consumer Protection Act, may impose additional costs on us, require the attention of our senior management or result in limitations on the manner in which we conduct our business. It is expected that the Biden administration will increase the number of financial regulations and regulators. Furthermore, we may become subject to additional regulatory and compliance burdens as we expand our product offerings and investment platform, including raising additional funds. Moreover, as calls for additional regulation have increased as a result of heightened regulatory focus in the financial industry, there may be a related increase in regulatory investigations of the trading and other investment activities of alternative asset management funds, including our managed companies. Compliance with any new laws or regulations could make compliance more difficult and expensive, affect the manner in which we conduct our business and adversely affect our profitability.

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

Purchases of Equity Securities by Issuer and Affiliated Purchasers

Pursuant to a stock repurchase program authorized by our board of directors, the Company may repurchase up to \$200 million of its outstanding shares of class A common stock and/or preferred stock through various methods, including open market repurchases, negotiated block transactions, accelerated share repurchases, open market solicitations and Rule 10b5-1 plans. The stock repurchase program expires on June 30, 2023 and may be extended, modified, or discontinued at any time.

The following table presents information related to purchases of the Company's Series H, I and J preferred stock and class A common stock during the quarter ended September 30, 2022:

Period	Total Number of Shares Purchased		Weighted Average Price Paid Per Share		Total Number of Shares Purchased as Part of Publicly Announced Program		Maximum Approximate Dollar Value that May Yet Be Purchased Under the Program (\$ in thousands)
	Preferred Stock	Common Stock	Preferred Stock	Common Stock	Preferred Stock	Common Stock	
July 1 through July 31, 2022	575,913	—	\$ 22.59	\$ —	575,913	—	\$ 186,991
August 1 through August 31, 2022	1,652,892	—	23.98	—	1,652,892	—	147,352
September 1 through September 30, 2022	—	944,570	—	14.39	—	944,570	133,759
Total	2,228,805	944,570	\$ 23.62	\$ 14.39	2,228,805	944,570	\$ 133,759

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Description
3.1*	Restated Charter of DigitalBridge Group, Inc.
3.2	Amended and Restated Bylaws of DigitalBridge Group, Inc. (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed on June 23, 2021)
10.1†	Amended and Restated DigitalBridge Group, Inc. 2014 Omnibus Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 22, 2022)
10.2†	Second Amended and Restated Employment Agreement, dated as of September 27, 2022, between DigitalBridge Group, Inc. and Jacky Wu (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on October 3, 2022)
31.1*	Certification of Marc C. Ganzi, Chief Executive Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Jacky Wu, Chief Financial Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Marc C. Ganzi, Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Jacky Wu, Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS**	XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
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† Denotes a management contract or compensatory plan contract or arrangement.

* Filed herewith.

** The document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

SIGNATURES

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

Dated: November 7, 2022

DigitalBridge Group, Inc.

By: _____
/s/ Marc C. Ganzi
Marc C. Ganzi
Chief Executive Officer
(Principal Executive Officer)

By: _____
/s/ Jacky Wu
Jacky Wu
Chief Financial Officer (Principal Financial Officer)

By: _____
/s/ Sonia Kim
Sonia Kim
Chief Accounting Officer (Principal Accounting Officer)

This restated charter of DigitalBridge Group, Inc. is a composite charter that includes prior amendments to reflect the name change of the Corporation and has not been approved by the board of directors of the Corporation or filed with the Maryland Department of Assessments and Taxation.

DigitalBridge Group, Inc.

ARTICLES OF AMENDMENT

DigitalBridge Group, Inc., a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST: The charter of the Corporation is hereby amended to provide that, immediately upon the Effective Time (as defined below), every four shares of Class A common stock (the "Class A Common Stock"), \$0.01 par value per share, of the Corporation which were issued and outstanding immediately prior to the Effective Time shall be combined into one issued and outstanding share of Class A Common Stock, \$0.04 par value per share, of the Corporation. Upon the Effective Time, no fractional shares of Class A Common Stock of the Corporation will be or remain issued and each stockholder otherwise entitled to a fractional share shall be entitled to receive in lieu thereof cash from the disposition of such fractional shares as provided herein. The Corporation shall arrange for the disposition of fractional shares (other than outstanding restricted shares of the Class A Common Stock issued pursuant to the DigitalBridge Group, Inc. 2014 Omnibus Stock Incentive Plan) by the mechanism of having the transfer agent of the Corporation (x) aggregate such fractional shares into whole shares, (y) sell the shares resulting from the aggregation on the open market and (z) make a cash payment to stockholders otherwise entitled to fractional shares equal to the stockholder's *pro-rata* share of the total proceeds of such sales, without interest thereon. With respect to outstanding restricted shares of the Class A Common Stock issued pursuant to the DigitalBridge Group, Inc. 2014 Omnibus Stock Incentive Plan, any fractional share of Class A Common Stock resulting from the amendment effected hereby shall be rounded up or down to the nearest whole share of Class A Common Stock, as the case may be.

SECOND: As provided in Section 6.3.3 of the Articles of Amendment and Restatement, filed on January 10, 2017 at 1:30 p.m., as amended, the outstanding Class B Common Stock is automatically combined in the same proportion as the outstanding Class A Common Stock set forth in Article FIRST above. Upon the Effective Time, no fractional shares of Class B Common Stock of the Corporation will be or remain issued and each stockholder otherwise entitled to a fractional share shall be entitled to receive in lieu thereof cash from the disposition of such fractional shares.

THIRD: The amendment to the charter of the Corporation as set forth above has been duly approved by at least a majority of the entire Board of Directors of the Corporation as required by law. The amendment set forth herein is made without action by the stockholders of the Corporation, pursuant to Section 2-309(e) of the Maryland Corporations and Associations Code.

FOURTH: These Articles of Amendment shall become effective as of 5:00 p.m. Eastern time on August 22, 2022 (the "Effective Time").

FIFTH: The undersigned acknowledges these Articles of Amendment to be the corporate act of the Corporation and as to all matters or facts required to be verified under oath, the undersigned acknowledges that to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment to be signed in its name and on its behalf by its Chief Financial Officer and attested to by its Secretary on this 18th day of August, 2022.

ATTEST

DIGITALBRIDGE GROUP, INC.

/s/ Ronald M. Sanders

Name: Ronald M. Sanders
Title: Executive Vice President, Chief Legal Officer & Secretary

/s/ Jacky Wu

Name: Jacky Wu
Title: Executive Vice President & Chief Financial Officer

COLONY CAPITAL, INC.

ARTICLES OF AMENDMENT

THIS IS TO CERTIFY THAT

FIRST The charter of Colony Capital, Inc., a Maryland corporation (the Corporation”), is hereby amended by deleting existing Article II in its entirety and substituting in lieu thereof a new article to read as follows:

ARTICLE II

NAME

The name of the corporation (the “Corporation”) is

DigitalBridge Group, Inc.

SECOND The amendment to the charter of the Corporation as set forth above has been duly approved by at least a majority of the entire Board of Directors of the Corporation as required by law. The amendment set forth herein is made without action by the stockholders of the Corporation, pursuant to Section 2-605(a)(1) of the Maryland General Corporation Law.

THIRD These Articles of Amendment shall become effective as of 4:00 p.m. Eastern time on June 21, 2021.

FOURTH The undersigned acknowledges these Articles of Amendment to be the corporate act of the Corporation and as to all matters or facts required to be verified under oath, the undersigned acknowledges that to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment to be signed in its name and on its behalf by its Chief Financial Officer and President and attested to by its Secretary on this 21st day of June, 2021.

ATTEST

COLONY CAPITAL, INC.

/s/ Ronald M. Sanders

Name: Ronald M. Sanders
Title: Executive Vice President, Chief Legal Officer & Secretary

/s/ Jacky Wu

Name: Jacky Wu
Title: Executive Vice President & Chief Financial Officer

COLONY NORTHSTAR, INC.
ARTICLES OF AMENDMENT

THIS IS TO CERTIFY THAT

FIRST The charter of Colony Northstar, Inc., a Maryland corporation (the "Corporation"), is hereby amended by deleting existing Article II in its entirety and substituting in lieu thereof a new article to read as follows:

ARTICLE II

NAME

The name of the corporation (the "Corporation") is

Colony Capital, Inc.

SECOND The amendment to the charter of the Corporation as set forth above has been duly approved by at least a majority of the entire Board of Directors of the Corporation as required by law. The amendment set forth herein is made without action by the stockholders of the Corporation, pursuant to Section 2-605(a)(1) of the Maryland General Corporation Law.

THIRD These Articles of Amendment shall become effective as of 12:01 a.m. Eastern time on June 25, 2018.

FOURTH The undersigned acknowledges these Articles of Amendment to be the corporate act of the Corporation and as to all matters or facts required to be verified under oath, the undersigned acknowledges that to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

[Signature Page follows]

IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment to be signed in its name and on its behalf by its Chief Executive Officer and President and attested to by its Secretary on this 22nd day of June, 2018.

ATTEST

COLONY NORTHSTAR, INC.

/s/ Ronald M. Sanders

Name: Ronald M. Sanders
Title: Secretary

/s/ Richard B. Saltzman

Name: Richard B. Saltzman
Title: Chief Executive Officer & President

Signature Page to Articles of Amendment

COLONY NORTHSTAR, INC.

ARTICLES OF AMENDMENT AND RESTATEMENT

FIRST: Colony NorthStar, Inc., a Maryland corporation (the “Corporation”), desires to amend and restate its charter as currently in effect and as hereinafter amended.

SECOND: The following provisions and Exhibits A, B, C, D, E, F, G and H (the “Exhibits”) are all the provisions of the charter currently in effect and as hereinafter amended:

ARTICLE I INCORPORATOR

The undersigned, Ronald J. Lieberman, whose address is 399 Park Avenue, 19th Floor, New York, NY 10022, being at least 18 years of age, formed a corporation under the general laws of the State of Maryland on May 31, 2016.

ARTICLE II NAME

The name of the corporation (the “Corporation”) is:
Colony NorthStar, Inc.

ARTICLE III PURPOSE

The purposes for which the Corporation is formed are to engage in any lawful act or activity (including, without limitation or obligation, engaging in business as a real estate investment trust under the Internal Revenue Code of 1986, as amended, or any successor statute (the “Code”)) for which corporations may be organized under the general laws of the State of Maryland as now or hereafter in force. For purposes of these Articles, “REIT” means a real estate investment trust under Sections 856 through 860 of the Code.

ARTICLE IV

PRINCIPAL OFFICE IN STATE AND RESIDENT AGENT

The address of the principal office of the Corporation in the State of Maryland is c/o CSC-Lawyers Incorporating Service Company, 7 St. Paul Street, Suite 820, Baltimore, MD 21202. The name of the resident agent of the Corporation in the State of Maryland is CSC-Lawyers Incorporating Service Company, whose post address is 7 St. Paul Street, Suite 820, Baltimore, MD 21202. The resident agent is a Maryland corporation.

ARTICLE V

**PROVISIONS FOR DEFINING, LIMITING AND REGULATING
CERTAIN POWERS OF THE
CORPORATION AND OF THE STOCKHOLDERS AND DIRECTORS**

Section 5.1 Number of Directors. The business and affairs of the Corporation shall be managed under the direction of the Board of Directors. The number of directors of the Corporation initially shall be ten, which number may be increased or decreased only by the Board of Directors pursuant to the Bylaws of the Corporation (the "Bylaws"), but shall never be less than the minimum number required by the Maryland General Corporation Law (the "MGCL"). The names of the directors who shall serve until the first annual meeting of stockholders and until their successors are duly elected and qualify are:

David T. Hamamoto
Jon A. Fosheim
Douglas Crocker II
Thomas J. Barrack, Jr.

Nancy A Curtin George G. C. Parker
John A. Somers John L. Steffens
Charles W. Schoenherr Justin Metz

Any vacancy on the Board of Directors may be filled in the manner provided in the Bylaws. The Corporation may not elect to be subject to any provision contained in Subtitle 8 of Title 3 of the MGCL.

Section 5.2 Extraordinary Actions. Except as specifically provided in Article VIII, notwithstanding any provision of law permitting or requiring any action to be taken or approved by the affirmative vote of stockholders entitled to cast a greater number of votes, any such action shall be effective and valid if declared advisable by the Board of Directors and taken or approved by the affirmative vote of stockholders entitled to cast a majority of all the votes entitled to be cast on the matter.

Section 5.3 Authorization by Board of Stock Issuance. The Board of Directors may authorize the issuance from time to time of shares of stock of the Corporation of any class or series, whether now or hereafter authorized, or securities or rights convertible into shares of its stock of any class or series, whether now or hereafter authorized, for such consideration as the Board of Directors may deem advisable (or without consideration in the case of a stock split or stock dividend), subject to such restrictions or limitations, if any, as may be set forth in the charter of the Corporation (the "Charter") or the Bylaws.

Section 5.4 Preemptive Rights. Except as may be provided by the Board of Directors in setting the terms of classified or reclassified shares of stock pursuant to Section 6.6 or as may otherwise be provided by a contract approved by the Board of Directors, no holder of shares of stock of the Corporation shall, as such holder, have any preemptive right to purchase or subscribe for any additional shares of stock of the Corporation or any other security of the Corporation which it may issue or sell.

Section 5.5 Indemnification. (a) The Corporation shall, to the maximum extent permitted by Maryland law in effect from time to time, indemnify, and pay or reimburse reasonable expenses in advance of final disposition of a proceeding to, (i) any individual who is a present or former director or officer of the Corporation or (ii) any individual who, while a director or officer of the Corporation and at the request of the Corporation, serves or has served as a director, officer, trustee, member, manager, employee, partner or agent of another corporation, real estate investment trust, limited liability company, partnership, joint venture, trust, employee benefit plan or any other enterprise from and against any claim or liability to which such person may become subject or which such person may incur by reason of his or her service in such capacity. The Corporation shall provide such indemnification and advancement of expenses to a person who served a predecessor of the Corporation in any of the capacities described in (i) or (ii) above and shall have the power, with the approval of the Board of Directors, to provide the same (or lesser) indemnification and advancement of expenses to any employee or agent of the Corporation or a predecessor of the Corporation. Any amendment of this Section 5.5(a) shall be prospective only and shall not affect the applicability of this section with respect to any act or failure to act that occurred prior to such amendment.

(b) The Corporation may, to the fullest extent permitted by law, purchase and maintain insurance on behalf of any person described in the preceding paragraph against any liability which may be asserted against such person.

(c) The indemnification provided herein shall not be deemed to limit the right of the Corporation to indemnify any other person for any such expenses to the fullest extent permitted by law, nor shall it be deemed exclusive of any other rights to which any person seeking indemnification from the Corporation may be entitled under any agreement, vote of stockholders or disinterested directors, or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office.

Section 5.6 Determinations by Board. The determination as to any of the following matters, made by or pursuant to the direction of the Board of Directors, shall be final and conclusive and shall be binding upon the Corporation and every holder of shares of its stock: the amount of the net income of the Corporation for any period and the amount of assets at any time legally available for the payment of dividends, acquisition of its stock or the payment of other distributions on its stock; the amount of paid-in surplus, net assets, other surplus, cash flow, funds from operations, adjusted funds from operations, net profit, net assets in excess of capital, undivided profits or excess of profits over losses on sales of assets; the amount, purpose, time of creation, increase or decrease, alteration or cancellation of any reserves or charges and the propriety thereof (whether or not any obligation or liability for which such reserves or charges shall have been created shall have been set aside, paid or discharged); any interpretation or resolution of any ambiguity with respect to any provision of the Charter (including any of the terms, preferences, conversion or other rights, voting powers or rights, restrictions, limitations as to dividends or other distributions, qualifications or terms or conditions of redemption of any

shares of any class or series of stock of the Corporation) or of the Bylaws; the number of shares of stock of any class or series of the Corporation; the fair value, or any sale, bid or asked price to be applied in determining the fair value, of any asset owned or held by the Corporation or of any shares of stock of the Corporation; any matter relating to the acquisition, holding and disposition of any assets by the Corporation; any interpretation of the terms and conditions of one or more agreements with any person, corporation, association, company, trust, partnership (limited or general) or other entity; the compensation of directors, officers, employees or agents of the Corporation; or any other matter relating to the business and affairs of the Corporation or required or permitted by applicable law, the Charter or Bylaws or otherwise to be determined by the Board of Directors.

Section 5.7 REIT Qualification. If the Corporation elects to qualify for federal income tax treatment as a REIT, the Board of Directors shall use its reasonable best efforts to take such actions as are necessary or appropriate to preserve the status of the Corporation as a REIT; however, if the Board of Directors determines that it is no longer in the best interests of the Corporation to attempt to, or continue to, qualify as a REIT, the Board of Directors may revoke or otherwise terminate the Corporation's REIT election pursuant to Section 856(g) of the Code. The Board of Directors, in its sole and absolute discretion, also may (a) determine that compliance with any restriction or limitation on stock ownership and transfers set forth in Article VII is no longer required for REIT qualification and (b) make any other determination or take any other action pursuant to Article VII.

Section 5.8 Removal of Directors. Subject to the rights of holders of one or more classes or series of Preferred Stock to elect or remove one or more directors, any director, or the entire Board of Directors, may be removed from office at any time by the affirmative vote of a majority of the votes entitled to be cast generally in the election of directors.

Section 5.9 Corporate Opportunities. The Corporation shall have the power, by resolution of the Board of Directors, to renounce any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, business opportunities or classes or categories of business opportunities that are presented to the Corporation or developed by or presented to one or more directors or officers of the Corporation.

Section 5.10 Appraisal Rights. Holders of shares of Common Stock (as defined herein) shall be entitled to exercise the rights of an objecting stockholder provided for under Title 3, Subtitle 2 of the MGCL or any successor statute. In addition to such statutory rights of an objecting stockholder and notwithstanding the limitations on exercising the rights of an objecting stockholder under Section 3-202(c)(1) of the MGCL, a holder of Class A Common Stock or Class B Common Stock shall have the additional right, pursuant to this Section 5.10, to demand and receive payment of the fair value of such stockholder's shares of Common Stock in any merger, consolidation or statutory share exchange if the holder of such shares of Common Stock is required by the terms of an agreement or plan of merger, consolidation, or statutory share exchange to accept for such shares of Common Stock anything except (a) shares of stock of the corporation surviving or resulting from such merger, consolidation or statutory share exchange, or depository receipts in respect thereof, (b) shares of stock of any other corporation, or depository receipts in respect thereof, which shares of stock (or depository receipts in respect thereof) or depository receipts at the effective date of the merger, consolidation or statutory share exchange will be either listed on a national securities exchange or held of record by more than 2,000 holders, (c) cash in lieu of fractional shares or fractional depository receipts described

in the foregoing subsections (a) and (b) of this Section 5.10, or (d) any combination of the shares of stock, depository receipts and cash in lieu of fractional shares or fractional depository receipts described in the foregoing subsections (a), (b) and (c) of this Section 5.10. This Section 5.10 shall not alter the effect of Section 3-202(c)(3) of the MGCL. Holders of shares of Common Stock exercising the rights of an objecting stockholder provided in this Section 5.10 shall comply with the requirements to properly exercise such rights set forth in Title 3, Subtitle 2 of the MGCL to the same extent as if the holders were exercising the rights of an objecting stockholder provided for in Title 3, Subtitle 2 of the MGCL or any successor statute including, without limitation, voting against the transaction and providing the Corporation with all required notices.

ARTICLE VI STOCK

Section 6.1 Authorized Shares. The Corporation has authority to issue 1,250,000,000 shares of stock, consisting of 949,000,000 shares of Class A Common Stock, \$0.01 par value per share ("Class A Common Stock"), 1,000,000 shares of Class B Common Stock, \$0.01 par value per share ("Class B Common Stock"), 50,000,000 shares of Performance Common Stock, \$0.01 par value per share ("Performance Common Stock" and together with the Class A Common Stock and Class B Common Stock, the "Common Stock"), and 250,000,000 shares of Preferred Stock, \$0.01 par value per share ("Preferred Stock"), including those shares of Preferred Stock described in the Exhibits attached hereto. The aggregate par value of all authorized shares of stock having par value is \$12,500,000. If shares of one class of stock are classified or reclassified into shares of another class of stock pursuant to Section 6.2, 6.3, 6.4, 6.5

or 6.6 of this Article VI, the number of authorized shares of the former class shall be automatically decreased and the number of shares of the latter class shall be automatically increased, in each case by the number of shares so classified or reclassified, so that the aggregate number of shares of stock of all classes that the Corporation has authority to issue shall not be more than the total number of shares of stock set forth in the first sentence of this paragraph.

Section 6.2 Class A Common Stock. Subject to the provisions of Article VII and except as may otherwise be specified in the Charter, each share of Class A Common Stock shall entitle the holder thereof to one vote. The Board of Directors may reclassify any unissued shares of Class A Common Stock from time to time in one or more classes or series of Common Stock or Preferred Stock.

Section 6.2.1 Dividends and other Distributions. The Board of Directors may from time to time authorize and the Corporation shall declare to the holders of Class A Common Stock such dividends or other distributions in cash or other assets of the Corporation or in securities of the Corporation or from any other source as the Board of Directors in its discretion shall determine, but only out of funds legally available therefor. The Board of Directors shall endeavor to authorize, and the Corporation shall declare and pay, such dividends and other distributions as shall be necessary for the Corporation to qualify as a REIT under the Code (unless the Board of Directors has determined that it is no longer in the best interests of the Corporation to continue to be qualified as a REIT); however, stockholders shall have no right to any dividend or other distribution unless and until authorized by the Board of Directors and declared by the Corporation. The exercise of the powers and rights of the Board of Directors pursuant to this Section 6.2.1 shall be subject to the preferences of any class or series of stock at the time outstanding.

Section 6.2.2 Liquidation Rights. In the event of any voluntary or involuntary liquidation, dissolution or winding up of, or any distribution of the assets of, the Corporation, the holders of Class A Common Stock shall be entitled to participate, together with the holders of shares of any other class or series of stock now existing or hereafter classified or reclassified not having a preference over Class A Common Stock as to distributions in the liquidation, dissolution or winding up of the Corporation, in the distribution of any assets of the Corporation remaining after the Corporation shall have paid, or provided for payment of, all debts and liabilities of the Corporation and after the Corporation shall have paid, or set aside for payment, to the holders of any class or series of stock having preferences over the Class A Common Stock as to distributions in the event of dissolution, liquidation or winding up of the Corporation.

Section 6.2.3 Equal Status. Except as expressly provided in this Article VI, Class A Common Stock, Class B Common Stock and Performance Common Stock shall have the same rights and privileges and rank equally, share ratably and be identical in all respects as to all matters.

Section 6.3 Class B Common Stock. Subject to the provisions of Article VII, the rights, preferences, privileges and restrictions granted and imposed upon the Class B Common Stock are as follows:

Section 6.3.1 Definitions. For the purpose of only this Section 6.3, the following terms shall have the following meanings:

Affiliate. The term "Affiliate" means, with respect to any Person, (i) any Person directly or indirectly controlling, controlled by or under common control with such Person, or (ii) any officer, director, general partner or trustee of such Person or any Person referred to in the foregoing clause (i).

Beneficial Owner. The term “Beneficial Owner” has the meaning set forth in Rule 13d-3 and Rule 13d-5 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

Beneficial Ownership. The term “Beneficial Ownership” shall mean, with respect to any security, the direct or indirect ownership of such security by any Beneficial Owner of such security, except that, in calculating the beneficial ownership of any particular “person” (as that term is used in Section 13(d)(3) of the Exchange Act), such “person” will be deemed to have beneficial ownership of all securities that such “person” has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time.

Business Day. The term “Business Day” has the meaning set forth in Article VII below.

Control. The term “Control” means, when used with respect to any Person, the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

Exchange Act. The term “Exchange Act” has the meaning set forth in the definition of “Beneficial Owner.”

Executive. The term “Executive” means each Person who is a member of, or an interest holder of, CCH Management Partners I, LLC or CCH Management Partners II, LLC, Colony Capital, LLC or Colony Capital Holdings, LLC, other than Thomas J. Barrack, Jr., in each case for so long as he or she remains employed by the Corporation or any of its Affiliates.

Family Member. The term “Family Member” means, as to any Person that is an individual, (i) such Person’s spouse, ancestors (whether by blood or by adoption or step-ancestors by marriage), descendants (whether by blood or by adoption or step-descendants by marriage), brothers and sisters, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law and descendants (whether by blood or by adoption or step-descendants by marriage) of a brother or sister and (ii) any *inter vivos* or testamentary trusts (whether revocable or irrevocable) of which only such Person, his or her spouse, ancestors (whether by blood or by adoption or step-ancestors by marriage), descendants (whether by blood or by adoption or step-descendants by marriage), brothers and sisters, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law and descendants (whether by blood or by adoption or step-descendants by marriage) of a brother or sister are the sole initial income beneficiaries.

Initial Holder. The term “Initial Holder” shall mean Thomas J. Barrack, Jr.

OP Unit. The term “OP Unit” shall mean “Membership Common Unit” as set forth in the Partnership Agreement.

Operating Partnership. The term “Operating Partnership” shall mean Colony Capital Operating Company, LLC.

Partnership Agreement. The term “Partnership Agreement” shall mean the Third Amended and Restated Limited Liability Company Agreement of Colony Capital Operating Company, LLC.

Person. The term “Person” shall mean an individual or a corporation, partnership (general or limited), trust, estate, custodian, nominee, unincorporated organization, association, limited liability company or any other individual or entity in its own or any representative capacity.

Qualified Transferee. The term “Qualified Transferee” shall mean (a) Colony Capital, LLC and Colony Capital Holdings, LLC, (b) any Executive, (c) any Family Member or Affiliate of an Executive or of the Initial Holder, or (d) any Person (to the extent not included in clause (c)) Controlled by any combination of one or more Executives, the Initial Holder and/or one or more Family Members of an Executive or the Initial Holder. None of the Corporation, the Operating Partnership, or the Trustee shall be a Qualified Transferee.

Transfer. The term “Transfer” (and the correlative terms “Transferring” and “Transferred”) has the meaning set forth in Article VII below; provided that for purposes of this Article VI, “Transfer” (and the correlative terms “Transferring” and “Transferred”) shall not include any hypothecation, pledge or security interest that does not include a transfer or sharing of any voting rights of such securities unless and until the secured party gains possession or control of any such voting rights.

Trustee. The term “Trustee” has the meaning set forth in Article VII below.

Section 6.3.2 Voting Rights. Subject to the provisions of Article VII and except as may otherwise be specified in the Charter, each share of Class B Common Stock shall entitle the holder thereof to thirty-six and one-half (36.5) votes on each matter on which holders of Class A Common Stock are entitled to vote. The Class B Common Stock and Class A Common Stock shall vote together as a single class. The Board of Directors may reclassify any unissued shares of Class B Common Stock from time to time in one or more classes or series of Common Stock or Preferred Stock.

Section 6.3.3 Dividends and other Distributions; Subdivisions or Combinations. Subject to the preferences applicable to any class or series of Preferred Stock, if any, outstanding at any time, if and when the Board of Directors authorizes or declares a dividend or other distribution of cash, property or shares of stock of the Corporation with respect to each share of Class A Common Stock out of assets or funds of the Corporation legally available therefor, such authorization or declaration also shall constitute a simultaneous authorization or declaration of an equivalent dividend or other distribution with respect to each share of Class B Common Stock. If the Corporation in any manner subdivides or combines the outstanding shares of Class A Common Stock, the outstanding shares of Class B Common Stock will be subdivided or combined in the same manner.

Section 6.3.4 Liquidation Rights. In the event of any voluntary or involuntary liquidation, dissolution or winding up of, or any distribution of the assets of, the Corporation, each holder of Class B Common Stock shall be entitled to participate, together with the holders of shares of any other class or series of stock now existing or hereafter classified or reclassified not having a preference over Class B Common Stock as to distributions in the liquidation, dissolution or winding up of the Corporation, in the distribution of any assets of the Corporation remaining after the Corporation shall have paid, or provided for payment of, all

debts and liabilities of the Corporation and after the Corporation shall have paid, or set aside for payment, to the holders of any class or series of stock having preference over the Class B Common Stock as to distributions in the event of dissolution, liquidation or winding up of the Corporation.

Section 6.3.5 Equal Status. Except as expressly provided in this Article VI, Class A Common Stock, Class B Common Stock and Performance Common Stock shall have the same rights and privileges and rank equally, share ratably and be identical in all respects as to all matters.

Section 6.3.6 Conversion. The Class B Common Stock is not convertible into or exchangeable for any other property or securities of the Corporation, except as provided in this Section 6.3.6.

(a) Automatic Conversion. Shares of Class B Common Stock shall convert automatically into fully paid and nonassessable shares of Class A Common Stock at a ratio of one share of Class A Common Stock for each share of Class B Common Stock in the following circumstances:

(i) In the event that the Initial Holder or any of his Family Members Transfers or causes to be Transferred, directly or indirectly, Beneficial Ownership of Class B Common Stock, other than to the Initial Holder or any of his Family Members, each share of Class B Common Stock being Transferred shall convert automatically into one share of Class A Common Stock immediately prior to such Transfer; and

(ii) In the event that:

(x) the Initial Holder Transfers or causes to be Transferred, directly or indirectly, Beneficial Ownership of OP Units held, directly or indirectly, by the Initial Holder, other than to a Qualified Transferee,

(y) a Qualified Transferee Transfers or causes to be Transferred, directly or indirectly, Beneficial Ownership of OP Units held, directly or indirectly, by such Qualified Transferee, other than to the Initial Holder or to another Qualified Transferee; or

(z) a Qualified Transferee that is a Beneficial Owner of OP Units ceases at any time to continue to be a "Qualified Transferee" (as defined above), including, without limitation, as a result of the failure of any Executive to be employed by the Corporation or any of its Affiliates or as a result of divorce or annulment; then, in each case, one share of Class B Common Stock Beneficially Owned by the Initial Holder (or the Initial Holder's Family Members, to the extent the Initial Holder does not then Beneficially Own sufficient shares), upon such Transfer (in the case of clause (x) or (y) above) or cessation (in the case of clause (z) above), shall automatically convert into one share of Class A Common Stock for every thirty-five and one-half OP Units (x) so Transferred or caused to be so Transferred by the Initial Holder or such Qualified Transferee, or (y) then held by the Person who ceased to continue to be a "Qualified Transferee" (as defined above) (in each case rounding up to the nearest thirty-five and one-half OP Units).

Any shares of Class B Common Stock automatically converted pursuant to this paragraph (a) shall be converted as and at the times specified in this paragraph (a) without any further action by the holders thereof and whether or not the certificates representing such shares (if any) are surrendered to the Corporation. Upon the automatic conversion of shares of Class B Common Stock pursuant to this paragraph (a), the Beneficial Owner thereof shall identify for the Corporation the holder of record of the shares so converted.

(b) Conversion at the Option of the Holder. Pursuant to and in accordance with this paragraph (b), each holder of Class B Common Stock shall have the right, at such holder's option at any time and from time to time, to convert all or a portion of such holder's shares of Class B Common Stock into an equal number of fully paid and nonassessable shares of Class A Common Stock by delivering the certificates (if any) representing the shares of Class B Common Stock to be converted, duly endorsed for transfer, together with a written conversion notice to the transfer agent for the Class B Common Stock (or if there is no transfer agent, to the Corporation). Such conversion notice shall state: (i) the number of shares of Class B Common Stock to be converted; and (ii) the date on which such conversion shall occur (which date shall be a Business Day no less than five Business Days and not exceeding twenty Business Days from the date of such conversion notice) (the "Optional Conversion Date"). Notwithstanding the foregoing, if the shares of Class B Common Stock are held in global form, such notice shall comply with applicable procedures of the Depository Trust Company ("DTC"). In connection with the exercise of any optional conversion right, the Corporation shall comply with all U.S. federal and state securities laws and stock exchange rules in connection with any conversion of shares of Class B Common Stock into shares of Class A Common Stock. Holders of shares of Class B Common Stock may withdraw any conversion notice by a written notice of withdrawal delivered to the Corporation's transfer agent prior to the close of business on the Business Day prior to the Optional Conversion Date. The notice of withdrawal must state: (x) the number of withdrawn shares of Class B Common Stock; (y) if certificated shares of Class B Common Stock have been issued, the certificate numbers of the withdrawn shares of Class B

Common Stock; and (z) the number of shares of Class B Common Stock, if any, which remain subject to the conversion notice. Notwithstanding the foregoing, if the shares of Class B Common Stock are held in global form, the notice of withdrawal shall comply with applicable DTC procedures. Each conversion pursuant to this paragraph (b) for which the conversion notice has been given and not properly withdrawn shall be deemed to have been effected immediately prior to the close of business on the Optional Conversion Date.

Section 6.4 Performance Common Stock.

Section 6.4.1 Voting Rights. Except as may otherwise be specified in the Charter, the holders of shares of Performance Common Stock shall have no voting rights. Notwithstanding the foregoing but subject to Article VII, the consent of the holders of a majority of the shares of Performance Common Stock, voting as a separate class, shall be required for any amendment to the Charter that would increase or decrease the aggregate number of shares of Performance Common Stock, increase or decrease the par value of the shares of Performance Common Stock, or alter or change the powers, preferences, or special rights of the Performance Common Stock so as to affect them adversely. The holders of Performance Common Stock shall not be entitled to receive notice of any meeting of stockholders at which they are not entitled to vote. On any matter on which the holders of Performance Common Stock (in their capacity as such) shall have the right to vote, each holder of record of shares of Performance Common Stock on the relevant record date shall be entitled to cast one vote in person or by proxy for each share of Performance Common Stock standing in such holder's name on the stock transfer records of the Corporation. The Board of Directors may reclassify any unissued shares of Performance Common Stock from time to time in one or more classes or series of Common Stock or Preferred Stock.

Section 6.4.2 Dividends and Other Distributions. The Board of Directors may cause dividends to be paid to the holders of shares of Performance Common Stock out of funds legally available for the payment of dividends by declaring an amount per share as a dividend. When and as dividends are declared on the Class A Common Stock, whether payable in cash, in property or in shares of stock or other securities of the Corporation, the holders of shares of Performance Common Stock shall be entitled to share, ratably according to the number of shares of Performance Common Stock held by them, in such dividends; provided, that dividends shall not be declared on Performance Common Stock unless dividends are declared concurrently on shares of Class A Common Stock, and any per share dividend declared on Performance Common Stock shall in no case exceed the per share dividend declared on shares of Class A Common Stock at the time such dividends on the Performance Common Stock are declared. If the Corporation in any manner subdivides or combines the outstanding shares of Class A Common Stock, the outstanding shares of Performance Common Stock will be subdivided or combined in the same manner.

Section 6.4.3 Conversion. Each share of Performance Common Stock shall be convertible into one fully paid and nonassessable share of Class A Common Stock upon the terms and conditions relating to the conversion of Performance Common Stock as set forth by the Board of Directors or the Board of Directors of any predecessor (by merger or otherwise) of the Corporation. The Corporation will at all times reserve and keep available, solely for the purpose of issue upon conversion of the outstanding shares of Performance Common Stock, such number of shares of Class A Common Stock as shall be issuable upon the conversion of all such

outstanding shares of Performance Common Stock. The Corporation covenants that if any shares of Class A Common Stock, required to be reserved for purposes of conversion hereunder, require registration with or approval of any governmental authority under any federal or state law before such shares of Class A Common Stock may be issued upon conversion, the Corporation will use its best efforts to cause such shares to be duly registered or approved, as the case may be. The Corporation will endeavor to list the shares of Class A Common Stock required to be delivered upon conversion prior to such delivery upon each national securities exchange, if any, upon which the outstanding Class A Common Stock is listed at the time of such delivery. The Corporation covenants that all shares of Class A Common Stock which shall be issued upon conversion of the shares of Performance Common Stock will, upon issue, be fully paid and nonassessable and not entitled to any preemptive rights.

Section 6.4.4 Equal Status. Except as expressly provided in this Article VI, Class A Common Stock, Class B Common Stock and Performance Common Stock shall have the same rights and privileges and rank equally, share ratably and be identical in all respects as to all matters.

Section 6.5 Preferred Stock. The Board of Directors may classify any unissued shares of Preferred Stock and reclassify any previously classified but unissued shares of Preferred Stock of any series from time to time, into one or more classes or series of stock.

Section 6.6 Classified or Reclassified Shares. Prior to issuance of classified or reclassified shares of any class or series, the Board of Directors by resolution shall: (a) designate that class or series to distinguish it from all other classes and series of stock of the Corporation; (b) specify the number of shares to be included in the class or series; (c) set or change, subject to the provisions of Article VII and subject to the express terms of any class or series of stock of

the Corporation outstanding at the time, the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms and conditions of redemption for each class or series; and (d) cause the Corporation to file articles supplementary with the State Department of Assessments and Taxation of Maryland ("SDAT"). Any of the terms of any class or series of stock set or changed pursuant to clause (c) of this Section 6.6 may be made dependent upon facts or events ascertainable outside the Charter (including determinations by the Board of Directors or other facts or events within the control of the Corporation) and may vary among holders thereof, provided that the manner in which such facts, events or variations shall operate upon the terms of such class or series of stock is clearly and expressly set forth in the articles supplementary or other Charter document.

Section 6.7 Stockholders' Consent in Lieu of Meeting. Any action required or permitted to be taken at any meeting of the holders of Common Stock entitled to vote generally in the election of directors may be taken without a meeting by consent, in writing or by electronic transmission, in any manner and by any vote permitted by the MGCL and set forth in the Bylaws.

Section 6.8 Charter and Bylaws. The rights of all stockholders and the terms of all stock are subject to the provisions of the Charter and the Bylaws.

Section 6.9 Distributions. The Board of Directors from time to time may authorize the Corporation to declare and pay to stockholders such dividends or other distributions in cash or other assets of the Corporation or in securities of the Corporation, including in shares of one class or series of the Corporation's stock payable to holders of shares of another class or series of stock of the Corporation, or from any other source as the Board of Directors in its sole and absolute discretion shall determine. The exercise of the powers and rights of the Board of Directors pursuant to this Section 6.9 shall be subject to the provisions of any class or series of shares of the Corporation's stock at the time outstanding.

Section 6.10 Transferable Shares. Notwithstanding any other provision in the Charter, no determination shall be made by the Board of Directors nor shall any transaction be entered into by the Corporation that would cause any shares or other beneficial interest in the Corporation not to constitute “transferable shares” or “transferable certificates of beneficial interest” under Section 856(a)(2) of the Code.

ARTICLE VII

RESTRICTION ON TRANSFER AND OWNERSHIP OF SHARES

Section 7.1 Definitions. For the purpose of this Article VII, the following terms shall have the following meanings:

Aggregate Stock Ownership Limit. The term “Aggregate Stock Ownership Limit” shall mean 9.8 percent in value of the aggregate of the outstanding shares of Capital Stock, or such other percentage determined by the Board of Directors in accordance with Section 7.2.8 of the Charter.

Beneficial Ownership. The term “Beneficial Ownership” shall mean ownership of Capital Stock by a Person, whether the interest in the shares of Capital Stock is held directly or indirectly (including by a nominee), and shall include interests that would be treated as owned through the application of Section 544 of the Code, as modified by Section 856(h)(1)(B) and 856(h)(3) of the Code. The terms “Beneficial Owner,” “Beneficially Owns” and “Beneficially Owned” shall have the correlative meanings.

Business Day. The term “Business Day” shall mean any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in New York City are authorized or required by law, regulation or executive order to close.

Capital Stock. The term “Capital Stock” shall mean all classes or series of stock of the Corporation, including, without limitation, Class A Common Stock, Class B Common Stock, Performance Common Stock and Preferred Stock.

Charitable Beneficiary. The term “Charitable Beneficiary” shall mean one or more beneficiaries of the Trust as determined pursuant to Section 7.3.6, provided that each such organization must be described in Section 501(c)(3) of the Code and contributions to each such organization must be eligible for deduction under each of Sections 170(b)(1)(A), 2055 and 2522 of the Code.

Common Stock Ownership Limit. The term “Common Stock Ownership Limit” shall mean 9.8 percent (in value or in number of shares, whichever is more restrictive) of the aggregate of the outstanding shares of Common Stock, or such other percentage determined by the Board of Directors in accordance with Section 7.2.8 of the Charter.

Constructive Ownership. The term “Constructive Ownership” shall mean ownership of Capital Stock by a Person, whether the interest in the shares of Capital Stock is held directly or indirectly (including by a nominee), and shall include interests that would be treated as owned through the application of Section 318(a) of the Code, as modified by Section 856(d)(5) of the Code. The terms “Constructive Owner,” “Constructively Owns” and “Constructively Owned” shall have the correlative meanings.

Excepted Holder. The term “Excepted Holder” shall mean a stockholder of the Corporation for whom an Excepted Holder Limit is created by the Charter or by the Board of Directors pursuant to Section 7.2.7.

Excepted Holder Limit. The term “Excepted Holder Limit” shall mean, provided that the affected Excepted Holder agrees to comply with the requirements established by the Board of Directors pursuant to Section 7.2.7 and subject to adjustment pursuant to Section 7.2.8, the percentage limit established by the Board of Directors pursuant to Section 7.2.7.

Initial Date. The term “Initial Date” shall mean the effective time of the merger of NorthStar Asset Management Group Inc., a Delaware corporation, with and into the Corporation.

Market Price. The term “Market Price” on any date shall mean, with respect to any class or series of outstanding shares of Capital Stock, the Closing Price for such Capital Stock on such date. The “Closing Price” on any date shall mean the last sale price for such Capital Stock, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, for such Capital Stock, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the NYSE or, if such Capital Stock is not listed or admitted to trading on the NYSE, as reported on the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which such Capital Stock is listed or admitted to trading or, if such Capital Stock is not listed or admitted to trading on any national securities exchange, the last quoted price, or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the National Association of Securities Dealers, Inc. Automated Quotation System or, if such system is no longer in use, the

principal other automated quotation system that may then be in use or, if such Capital Stock is not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in such Capital Stock selected by the Board of Directors or, in the event that no trading price is available for such Capital Stock, the fair market value of the Capital Stock, as determined by the Board of Directors.

NYSE. The term “NYSE” shall mean the New York Stock Exchange.

Person. The term “Person” shall mean an individual, corporation, partnership, limited liability company, estate, trust (including a trust qualified under Sections 401(a) or 501(c)(17) of the Code), a portion of a trust permanently set aside for or to be used exclusively for the purposes described in Section 642(c) of the Code, association, private foundation within the meaning of Section 509(a) of the Code, joint stock company or other entity and also includes a group as that term is used for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended.

Prohibited Owner. The term “Prohibited Owner” shall mean, with respect to any purported Transfer, any Person who, but for the provisions of this Article VII, would Beneficially Own or Constructively Own shares of Capital Stock in violation of Section 7.2.1, and if appropriate in the context, shall also mean any Person who would have been the record owner of the shares that the Prohibited Owner would have so owned.

Restriction Termination Date. The term “Restriction Termination Date” shall mean the first day after the Initial Date on which the Board determines pursuant to Section 5.7 of the Charter that it is no longer in the best interests of the Corporation to attempt to, or continue to, qualify as a REIT or that compliance with the restrictions and limitations on Beneficial Ownership, Constructive Ownership and Transfers of shares of Capital Stock set forth herein is no longer required in order for the Corporation to qualify as a REIT.

Transfer. The term “Transfer” shall mean any issuance, sale, transfer, gift, assignment, devise or other disposition, as well as any other event, condition or set of circumstances that causes any Person to acquire or have Beneficial Ownership or Constructive Ownership, or any agreement to take any such actions or cause any such events, of Capital Stock or the right to vote or receive dividends or other distributions on shares of Capital Stock, including (a) a change in the capital structure of the Corporation or in the relative values of different shares of Capital Stock, (b) a change in the relationship between two or more Persons which cause a change in Beneficial Ownership or Constructive Ownership, (c) the granting or exercise of any option or warrant (or any acquisition or disposition of any option or warrant), pledge, security interest, or similar right to acquire shares of Capital Stock, (d) any acquisition or disposition of any securities or rights convertible into or exchangeable for Capital Stock or any interest in Capital Stock or any exercise of any such conversion or exchange right and (e) Transfers of interests in other entities that result in changes in Beneficial Ownership or Constructive Ownership of Capital Stock; in each case, whether voluntary or involuntary, whether owned of record, Constructively Owned or Beneficially Owned and whether by operation of law or otherwise. The terms “Transferring” and “Transferred” shall have the correlative meanings.

Trust. The term “Trust” shall mean any trust provided for in Section 7.3.1.

Trustee. The term “Trustee” shall mean the Person unaffiliated with the Corporation and a Prohibited Owner that is appointed by the Corporation to serve as trustee of the Trust.

Section 7.2 Capital Stock.

Section 7.2.1 Ownership Limitations. During the period commencing on the Initial Date and prior to the Restriction Termination Date, but subject to Section 7.4:

(a) Basic Restrictions.

(i) (1) No Person, other than an Excepted Holder, shall Beneficially Own or Constructively Own shares of Capital Stock in excess of the Aggregate Stock Ownership Limit, (2) no Person, other than an Excepted Holder, shall Beneficially Own or Constructively Own shares of Common Stock in excess of the Common Stock Ownership Limit and (3) no Excepted Holder shall Beneficially Own or Constructively Own shares of Capital Stock in excess of the Excepted Holder Limit for such Excepted Holder.

(ii) No Person shall Beneficially Own or Constructively Own shares of Capital Stock to the extent that (1) such Beneficial Ownership or Constructive Ownership of Capital Stock would result in the Corporation being “closely held” within the meaning of Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year), (2) such Beneficial Ownership or Constructive Ownership of Capital Stock would result in the Corporation owning (directly or Constructively) an interest in a tenant that is described in Section 856(d)(2)(B) of the Code if the income derived by the Corporation (either directly or indirectly through one or more partnerships or limited liability companies) from such tenant for the taxable year of the Corporation during which such determination is being made would reasonably be expected to equal or exceed the lesser of (a)

one percent of the Corporation's gross income (as determined for purposes of Section 856(c) of the Code), or (b) an amount that would cause the Corporation to fail to satisfy any of the gross income requirements of Section 856(c) of the Code, or (3) such Beneficial Ownership or Constructive Ownership of Capital Stock would result in the Corporation otherwise failing to qualify as a REIT.

(iii) Any Transfer of shares of Capital Stock that, if effective, would result in the Capital Stock being beneficially owned by less than 100 Persons (determined under the principles of Section 856(a)(5) of the Code) shall be void ab initio, and the intended transferee shall acquire no rights in such shares of Capital Stock.

(b) Transfer in Trust. If any Transfer of shares of Capital Stock occurs which, if effective, would result in any Person Beneficially Owning or Constructively Owning shares of Capital Stock in violation of Section 7.2.1(a)(i) or (ii),

(i) then that number of shares of the Capital Stock the Beneficial Ownership or Constructive Ownership of which otherwise would cause such Person to violate Section 7.2.1(a)(i) or (ii) (rounded up to the nearest whole share) shall be automatically transferred to a Trust for the benefit of a Charitable Beneficiary, as described in Section 7.3, effective as of the close of business on the Business Day prior to the date of such Transfer, and such Person shall acquire no rights in such shares; or

(ii) if the transfer to the Trust described in clause (i) of this sentence would not be effective for any reason to prevent the violation of Section 7.2.1(a)(i) or (ii), then the Transfer of that number of shares of Capital Stock that otherwise would cause any Person to violate Section 7.2.1(a)(i) or (ii) shall be void ab initio, and the intended transferee shall acquire no rights in such shares of Capital Stock.

(iii) To the extent that, upon a transfer of shares of Capital Stock pursuant to this Section 7.2.1(b), a violation of any provision of this Article VII would nonetheless be continuing (for example where the ownership of shares of Capital Stock by a single Trust would violate the 100 stockholder requirement applicable to REITs), then shares of Capital Stock shall be transferred to that number of Trusts, each having a distinct Trustee and a Charitable Beneficiary or Beneficiaries that are distinct from those of each other Trust, such that there is no violation of any provision of this Article VII.

Section 7.2.2 Remedies for Breach. If the Board of Directors shall at any time determine that a Transfer or other event has taken place that results in a violation of Section 7.2.1 or that a Person intends to acquire or has attempted to acquire Beneficial Ownership or Constructive Ownership of any shares of Capital Stock in violation of Section 7.2.1 (whether or not such violation is intended), the Board of Directors shall take such action as it deems advisable to refuse to give effect to or to prevent such Transfer or other event, including, without limitation, causing the Corporation to redeem shares, refusing to give effect to such Transfer on the books of the Corporation or instituting proceedings to enjoin such Transfer or other event; provided, however, that any Transfer or attempted Transfer or other event in violation of Section 7.2.1 shall automatically result in the transfer to the Trust described above, and, where applicable, such Transfer (or other event) shall be void ab initio as provided above irrespective of any action (or non-action) by the Board of Directors.

Section 7.2.3 Notice of Restricted Transfer. Any Person who acquires or attempts or intends to acquire Beneficial Ownership or Constructive Ownership of shares of Capital Stock that will or may violate Section 7.2.1(a) or any Person who would have owned shares of Capital Stock that resulted in a transfer to the Trust pursuant to the provisions of

Section 7.2.1(b) shall immediately give written notice to the Corporation of such event or, in the case of such a proposed or attempted transaction, give at least 15 days prior written notice, and shall provide to the Corporation such other information as the Corporation may request in order to determine the effect, if any, of such Transfer on the Corporation's status as a REIT.

Section 7.2.4 Owners Required To Provide Information. From the Initial Date and prior to the Restriction Termination Date:

(a) every owner of five percent or more (or such lower percentage as required by the Code or the Treasury Regulations promulgated thereunder) of the outstanding shares of Capital Stock, within 30 days after the end of each taxable year, shall give written notice to the Corporation stating the name and address of such owner, the number of shares of Capital Stock Beneficially Owned and a description of the manner in which such shares are held. Each such owner shall provide to the Corporation such additional information as the Corporation may request in order to determine the effect, if any, of such Beneficial Ownership on the Corporation's status as a REIT and to ensure compliance with the Aggregate Stock Ownership Limit; and

(b) each Person who is a Beneficial Owner or Constructive Owner of Capital Stock and each Person (including the stockholder of record) who is holding Capital Stock for a Beneficial Owner or Constructive Owner shall provide to the Corporation such information as the Corporation may request, in order to determine the Corporation's status as a REIT and to comply with requirements of any taxing authority or governmental authority or to determine such compliance.

Section 7.2.5 Remedies Not Limited. Subject to Section 5.7 of the Charter, nothing contained in this Section 7.2 shall limit the authority of the Board of Directors to take such other action as it deems necessary or advisable to protect the Corporation in preserving the Corporation's status as a REIT.

Section 7.2.6 Ambiguity. In the case of an ambiguity in the application of any of the provisions of this Section 7.2, Section 7.3 or any definition contained in Section 7.1, the Board of Directors may determine the application of the provisions of this Section 7.2 or Section 7.3 or any such definition with respect to any situation based on the facts known to it. In the event Section 7.2 or 7.3 requires an action by the Board of Directors and the Charter fails to provide specific guidance with respect to such action, the Board of Directors may determine the action to be taken so long as such action is not contrary to the provisions of Sections 7.1, 7.2 or 7.3. Absent a decision to the contrary by the Board of Directors, if a Person would have (but for the remedies set forth in Section 7.2.2) acquired Beneficial Ownership or Constructive Ownership of Capital Stock in violation of Section 7.2.1, such remedies (as applicable) shall apply first to the shares of Capital Stock which, but for such remedies, would have been Beneficially Owned or Constructively Owned (but not actually owned) by such Person, pro rata among the Persons who actually own such shares of Capital Stock based upon the relative number of the shares of Capital Stock held by each such Person.

Section 7.2.7 Exceptions.

(a) The Board of Directors, in its sole discretion, may exempt, prospectively or retroactively, a Person from the Common Stock Ownership Limit or the Aggregate Stock Ownership Limit, as the case may be, and may establish or increase an Excepted Holder Limit for such Person if: (i) such Person submits to the Board of Directors information satisfactory to the Board of Directors, in its reasonable discretion, demonstrating that such Person is not an individual for purposes of Section 542(a)(2) of the Code (determined

taking into account Section 856(h)(3)(A) of the Code); (ii) such Person submits to the Board of Directors information satisfactory to the Board, in its reasonable discretion, demonstrating that no Person who is an individual for purposes of Section 542(a)(2) of the Code (determined taking into account Section 856(h)(3)(A) of the Code) would be considered to Beneficially Own shares of Common Stock in excess of the Common Stock Ownership Limit or Capital Stock in excess of the Aggregate Stock Ownership Limit, (iii) such Person submits to the Board of Directors information satisfactory to the Board of Directors, in its reasonable discretion, demonstrating that clauses (1), (2) and (3) of subparagraph (a)(ii) of Section 7.2.1 will not be violated by reason of such Person's ownership of Common Stock in excess of the Common Stock Ownership Limit or Capital Stock in excess of the Aggregate Stock Ownership Limit pursuant to the exemption granted under this subparagraph 7.2.7(a); and (iv) such Person provides to the Board of Directors such representations and undertakings, if any, as the Board of Directors may, in its reasonable discretion, require to ensure that the conditions in clauses (i), (ii) and (iii) hereof are satisfied and will continue to be satisfied throughout the period during which such Person owns Common Stock in excess of the Common Stock Ownership Limit or Capital Stock in excess of the Aggregate Stock Ownership Limit pursuant to any exemption thereto granted under this subparagraph (a), and such Person agrees that any violation of such representations and undertakings or any attempted violation thereof will result in the application of the remedies set forth in Section 7.2 (including without limitation, Section 7.2.5) with respect to shares of Common Stock held in excess of the Common Stock Ownership Limit or Capital Stock held in excess of the Aggregate Stock Ownership Limit with respect to such Person (determined without regard to the exemption granted such Person under this subparagraph (a)).

(b) Prior to granting any exception pursuant to Section 7.2.7(a), the Board of Directors may require a ruling from the Internal Revenue Service or an opinion of counsel, in either case in form and substance satisfactory to the Board of Directors as it may deem necessary or advisable in order to determine or ensure the Corporation's status as a REIT; provided, however, that the Board of Directors shall not be obligated to require obtaining a favorable ruling or opinion in order to grant an exception hereunder.

(c) Subject to Section 7.2.1(a)(ii), an underwriter that participates in a public offering or a private placement of Capital Stock (or securities convertible into or exchangeable for Capital Stock) may Beneficially Own or Constructively Own shares of Capital Stock (or securities convertible into or exchangeable for Capital Stock) in excess of the Aggregate Stock Ownership Limit or the Common Stock Ownership Limit, but only to the extent necessary to facilitate such public offering or private placement.

(d) In connection with granting any exemption or waiver pursuant to Section 7.2.7(a), the Board of Directors may include such terms and conditions in such waiver as it determines are advisable.

(e) The Board of Directors may only reduce the Excepted Holder Limit for an Excepted Holder: (1) with the written consent of such Excepted Holder at any time, or (2) pursuant to the terms and conditions of the agreements and undertakings entered into with such Excepted Holder in connection with the establishment of the Excepted Holder Limit for that Excepted Holder. No Excepted Holder Limit shall be reduced to a percentage that is less than the Common Stock Ownership Limit.

Section 7.2.8 Increase or Decrease in Common Stock Ownership or Aggregate Stock Ownership Limits. Subject to Section 7.2.1(a)(ii) and this Section 7.2.8, the Board of Directors may from time to time increase or decrease the Common Stock Ownership Limit and the Aggregate Stock Ownership Limit for one or more Persons and increase or decrease the Common Stock Ownership Limit and the Aggregate Stock Ownership Limit for all other Persons. No decreased Common Stock Ownership Limit or Aggregate Stock Ownership Limit will be effective for any Person whose percentage of ownership of Capital Stock is in excess of such decreased Common Stock Ownership Limit or Aggregate Stock Ownership Limit, as applicable, until such time as such Person's percentage of ownership of Capital Stock equals or falls below the decreased Common Stock Ownership Limit or Aggregate Stock Ownership Limit, as applicable; provided, however, any further acquisition of Capital Stock by any such Person (other than a Person for whom an exemption has been granted pursuant to Section 7.2.7(a) or an Excepted Holder) in excess of the Capital Stock owned by such person on the date the decreased Common Stock Ownership Limit or Aggregate Stock Ownership Limit, as applicable, became effective will be in violation of the Common Stock Ownership Limit or Aggregate Stock Ownership Limit. No increase to the Common Stock Ownership Limit or Aggregate Stock Ownership Limit may be approved if the new Common Stock Ownership Limit and/or Aggregate Stock Ownership Limit would allow five or fewer Persons to Beneficially Own, in the aggregate more than 49.9% in value of the outstanding Capital Stock.

Section 7.2.9 Legend. Each certificate for shares of Capital Stock shall bear substantially the following legend:

The shares represented by this certificate are subject to restrictions on Beneficial and Constructive Ownership and Transfer for the purpose, among others, of the Corporation's maintenance of its status as a Real Estate Investment Trust under the Code. Subject to certain further restrictions and except as expressly provided in the Corporation's Charter, (i) no Person may Beneficially Own or Constructively Own shares of the Corporation's Common Stock in excess of the Common Stock Ownership Limit unless such Person

is an Excepted Holder (in which case the Excepted Holder Limit shall be applicable); (ii) no Person may Beneficially Own or Constructively Own shares of Capital Stock of the Corporation in excess of the Aggregate Stock Ownership Limit, unless such Person is an Excepted Holder (in which case the Excepted Holder Limit shall be applicable); (iii) no Person may Beneficially Own or Constructively Own Capital Stock that would result in the Corporation being “closely held” under Section 856(h) of the Code or otherwise cause the Corporation to fail to qualify as a REIT; and (iv) no Person may Transfer shares of Capital Stock if such Transfer would result in the Capital Stock of the Corporation being owned by fewer than 100 Persons. Any Person who Beneficially Owns or Constructively Owns or attempts to Beneficially Own or Constructively Own shares of Capital Stock which causes or will cause a Person to Beneficially Own or Constructively Own shares of Capital Stock in excess or in violation of the above limitations must immediately notify the Corporation. If any of the restrictions on transfer or ownership are violated, the shares of Capital Stock represented hereby will be automatically transferred to a Trustee of a Trust for the benefit of one or more Charitable Beneficiaries. In addition, the Corporation may redeem shares upon the terms and conditions specified by the Board of Directors in its sole and absolute discretion if the Board of Directors determines that ownership or a Transfer or other event may violate the restrictions described above. Furthermore, upon the occurrence of certain events, attempted Transfers in violation of the restrictions described above may be void ab initio. All capitalized terms in this legend have the meanings defined in the Charter of the Corporation, as the same may be amended from time to time, a copy of which, including the restrictions on transfer and ownership, will be furnished to each holder of Capital Stock of the Corporation on request and without charge. Requests for such a copy may be directed to the Secretary of the Corporation at its principal office.

Instead of the foregoing legend, the certificate may state that the Corporation will furnish a full statement about certain restrictions on transferability to a stockholder on request and without charge.

Section 7.3 Transfer of Capital Stock in Trust.

Section 7.3.1 Ownership in Trust. Upon any purported Transfer or other event described in Section 7.2.1(b) that would result in a transfer of shares of Capital Stock to a Trust, such shares of Capital Stock shall be deemed to have been transferred to the Trustee as trustee of a Trust for the exclusive benefit of one or more Charitable Beneficiaries. Such transfer to the Trustee shall be deemed to be effective as of the close of business on the Business Day prior to the purported Transfer or other event that results in the transfer to the Trust pursuant to Section 7.2.1(b). The Trustee shall be appointed by the Corporation and shall be a Person unaffiliated with the Corporation and any Prohibited Owner. Each Charitable Beneficiary shall be designated by the Corporation as provided in Section 7.3.6.

Section 7.3.2 Status of Shares Held by the Trustee. Shares of Capital Stock held by the Trustee shall be issued and outstanding shares of Capital Stock. The Prohibited Owner shall have no rights in the shares held by the Trustee. The Prohibited Owner shall not benefit economically from ownership of any shares held in trust by the Trustee, shall have no rights to dividends or other distributions and shall not possess any rights to vote or other rights attributable to the shares held in the Trust.

Section 7.3.3 Dividend and Voting Rights. The Trustee shall have all voting rights and rights to dividends or other distributions with respect to shares of Capital Stock held in the Trust, which rights shall be exercised for the exclusive benefit of the Charitable Beneficiary. Any dividend or other distribution paid prior to the discovery by the Corporation that the shares of Capital Stock have been transferred to the Trustee shall be paid by the recipient of such dividend or other distribution to the Trustee upon demand and any dividend or other distribution authorized but unpaid shall be paid when due to the Trustee. Any dividend or other distribution so paid to the Trustee shall be held in trust for the Charitable Beneficiary. The Prohibited Owner shall have no voting rights with respect to shares held in the Trust and, subject to Maryland law, effective as of the date that the shares of Capital Stock have been transferred to

the Trustee, the Trustee shall have the authority (at the Trustee's sole and absolute discretion) (i) to rescind as void any vote cast by a Prohibited Owner prior to the discovery by the Corporation that the shares of Capital Stock have been transferred to the Trustee and (ii) to recast such vote; provided, however, that if the Corporation has already taken irreversible corporate action, then the Trustee shall not have the authority to rescind and recast such vote. Notwithstanding the provisions of this Article VII, until the Corporation has received notification that shares of Capital Stock have been transferred into a Trust, the Corporation shall be entitled to rely on its stock transfer and other stockholder records for purposes of preparing lists of stockholders entitled to vote at meetings, determining the validity and authority of proxies and otherwise conducting votes and determining the other rights of stockholders.

Section 7.3.4 Sale of Shares by Trustee. Within 20 days of receiving notice from the Corporation that shares of Capital Stock have been transferred to the Trust, the Trustee of the Trust shall sell the shares held in the Trust to a person, designated by the Trustee, whose ownership of the shares will not violate the ownership limitations set forth in Section 7.2.1(a). Upon such sale, the interest of the Charitable Beneficiary in the shares sold shall terminate and the Trustee shall distribute the net proceeds of the sale to the Prohibited Owner and to the Charitable Beneficiary as provided in this Section 7.3.4. The Prohibited Owner shall receive the lesser of (1) the price paid by the Prohibited Owner for the shares or, if the Prohibited Owner did not give value for the shares in connection with the event causing the shares to be held in the Trust (*e.g.*, in the case of a gift, devise or other such transaction), the Market Price of the shares on the day of the event causing the shares to be held in the Trust and (2) the price per share received by the Trustee (net of any commissions and other expenses of sale) from the sale or other disposition of the shares held in the Trust. The Trustee may reduce the amount payable

to the Prohibited Owner by the amount of dividends and other distributions which have been paid to the Prohibited Owner and are owed by the Prohibited Owner to the Trustee pursuant to Section 7.3.3 of this Article VII. Any net sales proceeds in excess of the amount payable to the Prohibited Owner shall be immediately paid to the Charitable Beneficiary. If, prior to the discovery by the Corporation that shares of Capital Stock have been transferred to the Trustee, such shares are sold by a Prohibited Owner, then (i) such shares shall be deemed to have been sold on behalf of the Trust and (ii) to the extent that the Prohibited Owner received an amount for such shares that exceeds the amount that such Prohibited Owner was entitled to receive pursuant to this Section 7.3.4, such excess shall be paid to the Trustee upon demand.

Section 7.3.5 Purchase Right in Stock Transferred to the Trustee. Shares of Capital Stock transferred to the Trustee shall be deemed to have been offered for sale to the Corporation, or its designee, at a price per share equal to the lesser of (i) the price per share in the transaction that resulted in such transfer to the Trust (or, in the case of a devise or gift, the Market Price at the time of such devise or gift) and (ii) the Market Price on the date the Corporation, or its designee, accepts such offer. The Corporation may reduce the amount payable to the Prohibited Owner by the amount of dividends and other distributions which have been paid to the Prohibited Owner and are owed by the Prohibited Owner to the Trustee pursuant to Section 7.3.3 of this Article VII. The Corporation may pay the amount of such reduction to the Trustee for the benefit of the Charitable Beneficiary. The Corporation shall have the right to accept such offer until the Trustee has sold the shares held in the Trust pursuant to Section 7.3.4. Upon such a sale to the Corporation, the interest of the Charitable Beneficiary in the shares sold shall terminate and the Trustee shall distribute the net proceeds of the sale to the Prohibited Owner.

Section 7.3.6 Designation of Charitable Beneficiaries. By written notice to the Trustee, the Corporation shall designate one or more nonprofit organizations to be the Charitable Beneficiary of the interest in the Trust such that (1) the shares of Capital Stock held in the Trust would not violate the restrictions set forth in Section 7.2.1(a) in the hands of such Charitable Beneficiary and (2) each such organization must be described in Section 501(c)(3) of the Code and contributions to each such organization must be eligible for deduction under each of Sections 170(b)(1)(A), 2055 and 2522 of the Code. Neither the failure of the Corporation to make such designation nor the failure of the Corporation to appoint the Trustee before the automatic transfer provided in Section 7.2.1(b) shall make such transfer ineffective, provided that the Corporation thereafter makes such designation and appointment.

Section 7.4 NYSE Transactions. Nothing in this Article VII shall preclude the settlement of any transaction entered into through the facilities of the NYSE or any other national securities exchange or automated inter-dealer quotation system. The fact that the settlement of any transaction occurs shall not negate the effect of any other provision of this Article VII and any transferee in such a transaction shall be subject to all of the provisions and limitations set forth in this Article VII.

Section 7.5 Enforcement. The Corporation is authorized specifically to seek equitable relief, including injunctive relief, to enforce the provisions of this Article VII.

Section 7.6 Non-Waiver. No delay or failure on the part of the Corporation or the Board of Directors in exercising any right hereunder shall operate as a waiver of any right of the Corporation or the Board of Directors, as the case may be, except to the extent specifically waived in writing.

ARTICLE VIII AMENDMENTS

The Corporation reserves the right from time to time to make any amendment to its Charter, now or hereafter authorized by law, including any amendment altering the terms or contract rights, as expressly set forth in the Charter, of any shares of outstanding stock. All rights and powers conferred by the Charter on stockholders, directors and officers are granted subject to this reservation. Except as otherwise provided in the Charter, any amendment to the Charter shall be valid only if declared advisable by the Board of Directors and approved by the affirmative vote of a majority of all the votes entitled to be cast on the matter. However, any amendment to Article VII or to this sentence of the Charter shall be valid only if declared advisable by the Board of Directors and approved by the affirmative vote of two-thirds of all the votes entitled to be cast on the matter.

ARTICLE IX LIMITATION OF LIABILITY

To the maximum extent that Maryland law in effect from time to time permits limitation of the liability of directors and officers of a corporation, no present or former director or officer of the Corporation shall be liable to the Corporation or its stockholders for money damages. Neither the amendment nor repeal of this Article IX, nor the adoption or amendment of any other provision of the Charter or Bylaws inconsistent with this Article IX, shall apply to or affect in any respect the applicability of the preceding sentence with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

THIRD: The amendment to and restatement of the charter as hereinabove set forth have been duly advised by the Board of Directors and approved by the stockholders of the Corporation as required by law.

FOURTH: The current address of the principal office of the Corporation is as set forth in Article IV of the foregoing amendment and restatement of the charter.

FIFTH: The name and address of the Corporation's current resident agent are as set forth in Article IV of the foregoing amendment and restatement of the charter.

SIXTH: The number of directors of the Corporation and the names of those currently in office are as set forth in Article V of the foregoing amendment and restatement of the charter.

SEVENTH: The total number of shares of stock which the Corporation had authority to issue immediately prior to this amendment and restatement was 1,500, consisting of 1,000 shares of Common Stock, \$0.01 par value per share, and 500 shares of Performance Common Stock, \$0.01 par value per share. The aggregate par value of all shares of stock having par value was \$15.

EIGHTH: The total number of shares of stock which the Corporation has authority to issue pursuant to the foregoing amendment and restatement of the charter is 1,250,000,000, consisting of 949,000,000 shares of Class A Common Stock, \$0.01 par value per share, 1,000,000 shares of Class B Common Stock, \$0.01 par value per share, 50,000,000 shares of Performance Common Stock, \$0.01 par value per share, and 250,000,000 shares of Preferred Stock, \$0.01 par value per share, of which (a) 2,900,000 shares are classified and designated as 8.75% Series A Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share, (b) 14,920,000 shares are classified and designated as 8.25% Series B Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share, (c) 5,750,000 shares are classified and designated as 8.875% Series C Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share, (d) 8,050,000 shares are

classified and designated as 8.500% Series D Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share, (e) 10,350,000 shares are classified and designated as 8.75% Series E Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share, (f) 10,400,000 shares are classified and designated as 8.50% Series F Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share, (g) 3,450,000 shares are classified and designated as 7.50% Series G Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share, and (h) 11,500,000 shares are classified and designated as 7.125% Series H Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share. The aggregate par value of all authorized shares of stock having par value is \$12,500,000.

NINTH: These Articles of Amendment and Restatement shall become effective at 4:01 p.m., New York City time, on January 10, 2017. TENTH: The undersigned officer acknowledges these Articles of Amendment and Restatement to be the corporate act of the Corporation and as to all matters or facts required to be verified under oath, the undersigned officer acknowledges that, to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

[SIGNATURE PAGE FOLLOWS] 42

IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment and Restatement to be signed in its name and on its behalf by its President and attested to by its Secretary on this 10th day of January, 2017.

ATTEST: COLONY NORTHSTAR, INC.

/s/ Ronald J. Lieberman
Name: Ronald J. Lieberman Title:
Secretary

By: /s/ Albert Tylis (SEAL)
Name: Albert Tylis Title:
President

EXHIBIT A
SERIES A PREFERRED STOCK

Under a power contained in the charter (the “**Charter**”) of Colony NorthStar, Inc., a Maryland corporation (the “**Corporation**”), the Board of Directors of the Corporation classified and designated 2,900,000 shares (the “**Shares**”) of the Preferred Stock (as defined in the Charter), as shares of 8.75% Series A Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share (“**Series A Preferred Stock**”), with the following preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption set forth below, which upon any restatement of the Charter, shall be deemed to be part of Article VI of the Charter, with any necessary or appropriate changes to the enumeration or lettering of sections or subsections hereof:

8.75% Series A Cumulative Redeemable Perpetual Preferred Stock

Section 1. Number of Shares and Designation. This series of Preferred Stock shall be designated as 8.75% Series A Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share (the “**Series A Preferred Stock**”), and 2,900,000 shall be the number of shares of Preferred Stock constituting such series.

Section 2. Definitions. For purposes of the Series A Preferred Stock, the following terms shall have the meanings indicated: “**Annual Dividend Rate**” shall have the meaning set forth in paragraph (a) of Section 3 hereof.

“**Board of Directors**” shall mean the Board of Directors of the Corporation or any committee authorized by such Board of Directors to perform any of its responsibilities with respect to the Series A Preferred Stock.

“**Business Day**” shall mean any day other than a Saturday, Sunday or a day on which state or federally chartered banking institutions in New York, New York are not required to be open.

“**Change of Control**” shall have the meaning set forth in paragraph (a) of Section 5 hereof. “**Charter**” shall mean the charter of the Corporation.

“**Common Stock**” shall mean, collectively, the Class A Common Stock of the Corporation, par value \$.01 per share, the Class B Common Stock of the Corporation, par value \$.01 per share, and the Performance Common Stock of the Corporation, par value \$.01 per share.

“Dividend Payment Date” shall mean February 15, May 15, August 15 and November 15, of each year, commencing on or about February 15, 2017; provided, however, that if any Dividend Payment Date falls on any day other than a Business Day, the dividend payment due on such Dividend Payment Date shall be paid on the first Business Day immediately following such Dividend Payment Date.

“Dividend Payment Record Date” shall have the meaning set forth in paragraph (a) of Section 3 hereof.

“Dividend Periods” shall mean quarterly dividend periods commencing on February 15, May 15, August 15 and November 15, of each year and ending on and including the day preceding the first day of the next succeeding Dividend Period (other than the initial Dividend Period with respect to each Series A Preferred Stock, which, (i) for Series A Preferred Stock issued prior to January 11, 2017, shall commence on, and include, November 15, 2016 and end on and include February 14, 2017; and (ii) for Series A Preferred Stock issued on or after January 11, 2017, shall commence on the Dividend Payment Date with respect to which dividends were actually paid on Series A Preferred Stock that were outstanding immediately preceding the issuance of such Series A Preferred Stock and end on and include the day preceding the first day of the next succeeding Dividend Period).

“Junior Shares” shall mean the Common Stock and any other class or series of stock of the Corporation constituting junior shares of stock within the meaning set forth in paragraph (c) of Section 9 hereof.

“Liquidation Preference” shall have the meaning set forth in paragraph (a) of Section 4 hereof. **“Parity Shares”** shall

have the meaning set forth in paragraph (b) of Section 9 hereof.

“Person” shall mean any individual, firm, partnership, corporation, limited liability company or other entity, and shall include any successor (by merger or otherwise) of such entity.

“Redemption Date” shall have the meaning set forth in paragraph (c) of Section 5 hereof. **“Redemption**

Price” shall have the meaning set forth in paragraph (c) of Section 5 hereof. **“Series A Preferred Stock”** shall

have the meaning set forth in Section 1 hereof.

“Series B Preferred Stock” shall mean the 8.25% Series B Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“**Series C Preferred Stock**” shall mean the 8.875% Series C Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“**Series D Preferred Stock**” shall mean the 8.500% Series D Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“**Series E Preferred Stock**” shall mean the 8.75% Series E Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“**Series F Preferred Stock**” shall mean the 8.50% Series F Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“**Series G Preferred Stock**” shall mean the 7.50% Series G Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“**Series H Preferred Stock**” shall mean the 7.125% Series H Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“**Set apart for payment**” shall be deemed to include, without any action other than the following, the recording by the Corporation in its accounting ledgers of any accounting or bookkeeping entry which indicates, pursuant to a declaration of a dividend or other distribution by the Board of Directors, the allocation of funds to be so paid on any series or class of shares of stock of the Corporation.

“**Transfer Agent**” means American Stock Transfer & Trust Company, New York, New York, or such other agent or agents of the Corporation as may be designated by the Board of Directors or its designee as the transfer agent for the Series A Preferred Stock.

“**Voting Preferred Shares**” shall have the meaning set forth in Section 10 hereof. “**Voting Stock**” shall have the meaning set forth in paragraph (a) of Section 5 hereof.

Section 3. Dividends. (a) The holders of Series A Preferred Stock shall be entitled to receive, when, as and if authorized by the Board of Directors and declared by the Corporation out of assets legally available for that purpose, dividends payable in cash at the rate per annum of \$2.1875 per share of Series A Preferred Stock (the “**Annual Dividend Rate**”) (equivalent to a rate of 8.75% of the Liquidation Preference per annum). Such dividends with respect to each share of Series A Preferred Stock issued prior to January 11, 2017 shall be cumulative from, and including, November 15, 2016 and with respect to each share of Series A Preferred Stock issued on or after January 11, 2017 shall be cumulative from the Dividend Payment Date with respect to which dividends were actually paid on shares of Series A Preferred Stock that were outstanding immediately preceding the issuance of such shares of Series A Preferred Stock, whether or not in any Dividend Period or Periods there shall be assets of the Corporation legally available for the payment of such dividends, and shall be payable quarterly,

when, as and if authorized by the Board of Directors and declared by the Corporation, in arrears on Dividend Payment Dates, commencing with respect to each share of Series A Preferred Stock on the first Dividend Payment Date following issuance of such shares of Series A Preferred Stock. Dividends are cumulative from the most recent Dividend Payment Date to which dividends have been paid, whether or not in any Dividend Period or Periods there shall be assets legally available therefor. Each such dividend shall be payable in arrears to the holders of record of the Series A Preferred Stock, as they appear on the share records of the Corporation at the close of business on such record dates, not more than 30 days preceding the applicable Dividend Payment Date (the “**Dividend Payment Record Date**”), as shall be fixed by the Board of Directors.

Accrued and unpaid dividends for any past Dividend Periods may be authorized and declared and paid at any time, without reference to any regular Dividend Payment Date, to holders of record on such date, not exceeding 45 days preceding the payment date thereof, as may be fixed by the Board of Directors. If following a Change of Control, the Series A Preferred Stock is not listed on the New York Stock Exchange or the American Stock Exchange or quoted on NASDAQ, the Annual Dividend Rate will be increased to \$2.4375 per share of Series A Preferred Stock (equivalent to a rate of 9.75% of the Liquidation Preference per annum) and the holders of Series A Preferred Stock shall be entitled to receive, when, as and if authorized by the Board of Directors and declared by the Corporation out of assets legally available for that purpose, dividends payable in cash cumulative from, but excluding, the first date on which both the Change of Control has occurred and the Series A Preferred Stock is not so listed or quoted at the increased Annual Dividend Rate for as long as the Series A Preferred Stock is not so listed or quoted.

(b) The amount of dividends payable for each full Dividend Period for the Series A Preferred Stock shall be computed by dividing the Annual Dividend Rate by four. The amount of dividends payable for the initial Dividend Period, or any other period shorter or longer than a full Dividend Period, on the Series A Preferred Stock shall be computed on the basis of twelve 30-day months and a 360-day year. Holders of Series A Preferred Stock shall not be entitled to any dividends, whether payable in cash, property or stock, in excess of cumulative dividends, as herein provided, on the Series A Preferred Stock. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on the Series A Preferred Stock that may be in arrears.

(c) So long as any Series A Preferred Stock are outstanding, no dividends, except as described in the immediately following sentence, shall be authorized and declared or paid or set apart for payment on any series or class or classes of Parity Shares for any period unless full cumulative dividends have been or contemporaneously are authorized and declared and paid or authorized and declared and a sum sufficient for the payment thereof set apart for such payment on the Series A Preferred Stock for all past Dividend Periods. When dividends are not paid in full or a sum sufficient for such payment is not set apart, as aforesaid, all dividends authorized and declared upon Series A Preferred Stock and all dividends authorized and declared upon any other series or class or classes of Parity Shares shall be authorized and declared ratably in proportion to the respective amounts of dividends accumulated and unpaid on the Series A Preferred Stock and such Parity Shares.

(d) So long as any Series A Preferred Stock are outstanding, no dividends (other than dividends or distributions paid solely in shares of, or options, warrants or rights to subscribe for or purchase shares of, Junior Shares) shall be authorized and declared or paid or set apart for payment or other distribution authorized and declared or made upon Junior Shares, nor shall any Junior Shares be redeemed, purchased or otherwise acquired (other than a redemption, purchase or other acquisition of Common Stock made for purposes of and in compliance with requirements of an employee incentive or benefit plan of the Corporation or any subsidiary, or as permitted under Article VII of the Charter), for any consideration (or any moneys to be paid to or made available for a sinking fund for the redemption of any such shares) by the Corporation, directly or indirectly (except by conversion into or exchange for Junior Shares), unless in each case the full cumulative dividends on all outstanding Series A Preferred Stock and any other Parity Shares of the Corporation shall have been paid or set apart for payment for all past Dividend Periods with respect to the Series A Preferred Stock and all past dividend periods with respect to such Parity Shares.

Section 4. Liquidation Preference. (a) In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, before any payment or distribution of the assets of the Corporation (whether capital or surplus) shall be made to or set apart for the holders of Junior Shares, the holders of Series A Preferred Stock shall be entitled to receive Twenty-Five Dollars (\$25.00) per share of the Series A Preferred Stock (the "**Liquidation Preference**") plus an amount equal to all dividends (whether or not earned or declared) accrued and unpaid thereon to the date of final distribution to such holder; but such holders of Series A Preferred Stock shall not be entitled to any further payment. If, upon any such liquidation, dissolution or winding up of the Corporation, the assets of the Corporation, or proceeds thereof, distributable among the holders of Series A Preferred Stock shall be insufficient to pay in full the preferential amount aforesaid and liquidating payments on any other Parity Shares, then such assets, or the proceeds thereof, shall be distributed among the holders of such Series A Preferred Stock and any such other Parity Shares ratably in accordance with the respective amounts that would be payable on such Series A Preferred Stock and any such other Parity Shares if all amounts payable thereon were paid in full. For the purposes of this Section 4, (i) a consolidation or merger of the Corporation with one or more entities, (ii) a statutory share exchange and (iii) a sale or transfer of all or substantially all of the Corporation's assets shall not be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary, of the Corporation.

(b) Subject to the rights of the holders of shares of any series or class or classes of shares of stock ranking on a parity with or prior to the Series A Preferred Stock upon liquidation, dissolution or winding up, upon any liquidation, dissolution or winding up of the Corporation, after payment shall have been made in full to the holders of the Series A Preferred Stock, as provided in this Section 4, any series or class or classes of Junior Shares shall, subject to any respective terms and provisions applying thereto, be entitled to receive any and all assets remaining to be paid or distributed, and the holders of the Series A Preferred Stock shall not be entitled to share therein.

Section 5. Redemption at the Option of the Corporation. (a) If at any time following a change of control, the Series A Preferred Stock is not listed on the New York Stock Exchange or American Stock Exchange, or quoted on NASDAQ, the Corporation will have the option to redeem the Series A Preferred Stock, in whole but not in part, within 90 days after the first date on which both the change of control has occurred and the Series A Preferred Stock is not so listed or quoted, for cash at \$25.00 per share plus accrued and unpaid dividends (whether or not declared), to the redemption date. A “**Change of Control**” shall be deemed to have occurred at such time as (i) the date a “person” or “group” (within the meaning of Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the “**Securities Exchange Act**”)) becomes the ultimate “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act, except that a person or group shall be deemed to have beneficial ownership of all shares of voting stock that such person or group has the right to acquire regardless of when such right is first exercisable), directly or indirectly, of voting stock representing more than 50% of the total voting power of the total voting stock of the Corporation; (ii) the date the Corporation sells, transfers or otherwise disposes of all or substantially all of its assets; or (iii) the date of the consummation of a merger or share exchange of the Corporation with another entity where the Corporation’s stockholders immediately prior to the merger or share exchange would not beneficially own, immediately after the merger or share exchange, shares representing 50% or more of all votes (without consideration of the rights of any class of stock to elect directors by a separate group vote) to which all stockholders of the corporation issuing cash or securities in the merger or share exchange would be entitled in the election of directors, or where members of the Board of Directors immediately prior to the merger or share exchange would not immediately after the merger or share exchange constitute a majority of the board of directors of the corporation issuing cash or securities in the merger or share exchange. “**Voting Stock**” shall mean stock of any class or kind having the power to vote generally in the election of directors.

(b) Except as otherwise permitted by the Charter and paragraph (a) above, the Series A Preferred Stock shall not be redeemable by the Corporation prior to September 14, 2011. On and after September 14, 2011, the Corporation, at its option, may redeem the shares of Series A Preferred Stock, in whole or in part, as set forth herein, subject to the provisions described below.

(c) On and after September 14, 2011, the Series A Preferred Stock shall be redeemable at the option of the Corporation, in whole or in part, at any time or from time to time, at a redemption price of \$25.00 per share of Series A Preferred Stock, plus any accrued and unpaid dividends to the date fixed for redemption (the “**Redemption Price**”). Each date on which Series A Preferred Stock are to be redeemed (a “**Redemption Date**”) (which may not be before September 14, 2011) shall be selected by the Corporation, shall be specified in the notice of redemption and shall not be less than 30 days or more than 60 days after the date on which the Corporation gives, or causes to be given, notice of redemption by mail pursuant to the next paragraph.

A notice of redemption (which may be contingent on the occurrence of a future event) shall be mailed, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date, addressed to the respective holders of record of the Series A Preferred Stock at their respective addresses as they appear on the Corporation’s share transfer records. A failure to give such notice or any defect in the notice or in its mailing shall not affect the validity of the

proceedings for the redemption of any Series A Preferred Stock except as to the holder to whom notice was defective or not given. Each notice shall state: (i) the Redemption Date; (ii) the Redemption Price; (iii) the number of shares of Series A Preferred Stock to be redeemed and, if fewer than all the shares of Series A Preferred Stock held by such holder are to be redeemed, the number of such shares of Series A Preferred Stock to be redeemed from such holder; (iv) the place or places where the certificates evidencing the shares of Series A Preferred Stock are to be surrendered for payment of the Redemption Price; and (v) that distributions on the shares to be redeemed will cease to accrue on such Redemption Date except as otherwise provided herein.

(d) Upon any redemption of Series A Preferred Stock, the Corporation shall pay any accrued and unpaid dividends in arrears for any Dividend Period ending on or prior to the Redemption Date. If the Redemption Date falls after a Dividend Payment Record Date and prior to the corresponding Dividend Payment Date, then each holder of Series A Preferred Stock at the close of business on such Dividend Payment Record Date shall be entitled to the dividend payable on such Series A Preferred Stock on the corresponding Dividend Payment Date notwithstanding the redemption of such Series A Preferred Stock before such Dividend Payment Date. Except as provided above, the Corporation shall make no payment or allowance for unpaid dividends, whether or not in arrears, on Series A Preferred Stock called for redemption.

(e) If full cumulative dividends on the Series A Preferred Stock and any other series or class or classes of Parity Shares of the Corporation have not been paid or declared and set apart for payment, except as otherwise permitted under the Charter, the Series A Preferred Stock may not be redeemed in part and the Corporation may not purchase, redeem or otherwise acquire Series A Preferred Stock or any Parity Shares other than in exchange for Junior Shares.

(f) Notice having been mailed as aforesaid, from and after the Redemption Date (unless the Corporation shall fail to make available the amount of cash necessary to effect such redemption), (i) except as otherwise provided herein, dividends on the shares of Series A Preferred Stock so called for redemption shall cease to accrue, (ii) said shares shall no longer be deemed to be outstanding, and (iii) all rights of the holders thereof as holders of Series A Preferred Stock of the Corporation shall cease (except the rights to receive the cash payable upon such redemption, without interest thereon, upon surrender and endorsement of their certificates if so required and to receive any dividends payable thereon). The Corporation's obligation to provide cash in accordance with the preceding sentence shall be deemed fulfilled if, on or before the Redemption Date, the Corporation shall deposit with a bank or trust company (which may be an affiliate of the Corporation) that has an office in the Borough of Manhattan, City of New York, or in Baltimore, Maryland and that has, or is an affiliate of a bank or trust company that has, a capital and surplus of at least \$50,000,000, the cash necessary for such redemption, in trust, with irrevocable instructions that such cash be applied to the redemption of the Series A Preferred Stock so called for redemption. No interest shall accrue for the benefit of the holder of Series A Preferred Stock to be redeemed on any cash so set aside by the Corporation. Subject to applicable escheat laws, any such cash unclaimed at the end of two years from the Redemption Date shall revert to the general funds of the Corporation, after which reversion the holders of such shares so called for redemption shall look only to the general funds of the Corporation for the payment of such cash.

As promptly as practicable after the surrender in accordance with said notice of the certificates for any such shares of Series A Preferred Stock so redeemed (properly endorsed or assigned for transfer, if the Corporation shall so require and if the notice shall so state), such shares of Series A Preferred Stock shall be exchanged for the cash (without interest thereon) for which such shares of Series A Preferred Stock have been redeemed. If fewer than all of the outstanding shares of Series A Preferred Stock are to be redeemed, the shares of Series A Preferred Stock to be redeemed shall be selected by the Corporation from the outstanding shares of Series A Preferred Stock not previously called for redemption by lot or pro rata (as nearly as may be) or by any other method determined by the Corporation in its sole discretion to be equitable. If fewer than all the shares of Series A Preferred Stock evidenced by any certificate are redeemed, then new certificates evidencing the unredeemed shares of Series A Preferred Stock shall be issued without cost to the holder thereof.

Section 6. Reacquired Shares to Be Retired. All shares of Series A Preferred Stock which shall have been issued and reacquired in any manner by the Corporation shall be restored to the status of authorized but unissued shares of Preferred Stock, without designation as to series.

Section 7. No Right of Conversion. The Series A Preferred Stock are not convertible into or exchangeable for any other property or securities of the Corporation at the option of any holder of Series A Preferred Stock.

Section 8. Permissible Distributions. In determining whether a distribution (other than upon liquidation, dissolution or winding up), whether by dividend, or upon redemption or other acquisition of shares or otherwise, is permitted under Maryland law, amounts that would be needed, if the Corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of holders of shares of any class or series of stock whose preferential rights upon dissolution are superior or prior to those receiving the distribution shall not be added to the Corporation's total liabilities.

Section 9. Ranking. Any class or series of stock of the Corporation shall be deemed to rank:

(a) prior to the Series A Preferred Stock, as to the payment of dividends and as to distribution of assets upon liquidation, dissolution or winding up, if the holders of such class or series shall be entitled to the receipt of dividends or of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in preference or priority to the holders of Series A Preferred Stock;

(b) on a parity with the Series A Preferred Stock, as to the payment of dividends and as to the distribution of assets upon liquidation, dissolution or winding up, whether or not the dividend rates, dividend payment dates or redemption or liquidation prices per share thereof be different from those of the Series A Preferred Stock, if the holders of such class or series and the Series A Preferred Stock shall be entitled to the receipt of dividends and of amounts distributable upon liquidation, dissolution or winding up in proportion to their respective amounts of accrued and unpaid dividends per share or liquidation preferences, without preference or priority one over the other ("**Parity Shares**"); and

(c) junior to the Series A Preferred Stock, as to the payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up, if such class or series of stock shall be Common Stock or if the holders of Series A Preferred Stock shall be entitled to receipt of dividends or of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in preference or priority to the holders of such class or series, and such class or series shall not in either case rank prior to the Series A Preferred Stock (“**Junior Shares**”).

As of the date hereof, 14,920,000 authorized shares of Series B Preferred Stock, 5,750,000 authorized shares of Series C Preferred Stock, 8,050,000 authorized shares of Series D Preferred Stock, 10,350,000 authorized shares of Series E Preferred Stock, 10,400,000 authorized shares of Series F Preferred Stock, 3,450,000 authorized shares of Series G Preferred Stock and 11,500,000 authorized shares of Series H Preferred Stock are Parity Shares.

Section 10. Voting. Except as otherwise set forth herein, the Series A Preferred Stock shall not have any relative, participating, optional or other voting rights or powers, and the consent of the holders thereof shall not be required for the taking of any corporate action.

If and whenever six quarterly dividends (whether or not consecutive) payable on the Series A Preferred Stock or any series or class of Parity Shares shall be in arrears (which shall, with respect to any such quarterly dividend, mean that any such dividend has not been paid in full), whether or not earned or declared, the number of directors then constituting the Board of Directors shall be increased by two and the holders of Series A Preferred Stock, together with the holders of shares of every other series or class of Parity Shares having like voting rights (shares of any such other series, the “**Voting Preferred Shares**”), voting as a single class regardless of series, shall be entitled to elect two additional directors to serve on the Board of Directors at any annual meeting of stockholders or special meeting held in place thereof, or at a special meeting of the holders of Series A Preferred Stock and the Voting Preferred Shares called as hereinafter provided. Whenever all arrears in dividends on the Series A Preferred Stock and the Voting Preferred Shares then outstanding shall have been paid and full dividends thereon for the current quarterly dividend period shall have been paid or declared and set apart for payment, then the right of the holders of the Series A Preferred Stock and the Voting Preferred Shares to elect such additional directors shall cease (but subject always to the same provision for the vesting of such voting rights in the case of any similar future arrearages in six quarterly dividends), and the terms of office of the persons elected as directors by the holders of the Series A Preferred Stock and the Voting Preferred Shares shall forthwith terminate and the number of directors constituting the Board of Directors shall be reduced accordingly. At any time after such voting power shall have been so vested in the holders of shares of Series A Preferred Stock and the Voting Preferred Shares, the Secretary of the Corporation may, and upon the written request of any holder of Series A Preferred Stock (addressed to the Secretary at the principal office of the Corporation) shall, call a special meeting of the holders of the Series A Preferred Stock and of the Voting Preferred Shares for the election of the directors to be elected by them as herein provided, such call to be made by notice similar to that provided in the Bylaws of the Corporation for a special meeting of the stockholders or as required by law. If any such special

meeting required to be called as above provided shall not be called by the Secretary within 20 days after receipt of such request, then any holder of Series A Preferred Stock may call such meeting, upon the notice above provided, and for that purpose shall have access to the stock books of the Corporation. The directors elected at any such special meeting shall hold office until the next annual meeting of the stockholders or special meeting held in lieu thereof, and until their successors are duly elected and qualify, and if such office shall not have previously terminated as above provided. If any vacancy shall occur among the directors elected by the holders of the Series A Preferred Stock and the Voting Preferred Shares, a successor shall be elected by the Board of Directors to serve until the next annual meeting of the stockholders or special meeting held in place thereof, and until their successors are duly elected and qualify, and if such office shall not have previously terminated as provided above. In no event shall the holders of Series A Preferred Stock be entitled pursuant to this Section 10 to elect a director that would cause the Corporation to fail to satisfy a requirement relating to director independence of any national securities exchange on which any class or series of the Corporation's stock is listed.

So long as any Series A Preferred Stock are outstanding, in addition to any other vote or consent of stockholders required by the Charter, the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the holders of Series A Preferred Stock and the Voting Preferred Shares, at the time outstanding, voting as a single class regardless of series, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(a) Any amendment, alteration or repeal of any of the provisions of the Charter or these Articles Supplementary that materially and adversely affects the voting powers, rights or preferences of the holders of the Series A Preferred Stock or the Voting Preferred Shares; provided, however, that (i) the amendment of the provisions of the Charter so as to authorize or create or to increase the authorized amount of, any Junior Shares or any shares of any class or series ranking on a parity with the Series A Preferred Stock or the Voting Preferred Shares (including any amendment to increase the amount of authorized shares of Series A Preferred Stock) shall not be deemed to materially adversely affect the voting powers, rights or preferences of the holders of Series A Preferred Stock and (ii) any filing with the State Department of Assessments and Taxation of Maryland by the Corporation including in connection with a merger, consolidation or otherwise, shall not be deemed to be an amendment, alteration or repeal of any of the provisions of the Charter or these Articles Supplementary that materially and adversely affects the voting powers, rights or preferences of the holders of the Series A Preferred Stock, provided that: (1) the Corporation is the surviving entity and the Series A Preferred Stock remain outstanding with the terms thereof materially unchanged in any respect adverse to the holders thereof; or (2) the resulting, surviving or transferee entity is organized under the laws of any state and substitutes or exchanges the Series A Preferred Stock for other preferred stock or shares having preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption thereof that are substantially similar to that of the Series A Preferred Stock (except for changes that do not materially and adversely affect the holders of Series A Preferred Stock); and provided further, that if any such amendment, alteration or repeal would materially and adversely affect any voting powers, rights or preferences of the Series A Preferred Stock or one or more but not all series of Voting Preferred Shares at the time outstanding, the affirmative vote

of at least 66-2/3% of the votes entitled to be cast by the holders of all series similarly affected, at the time outstanding, voting as a single class regardless of series, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be required in lieu of the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the holders of the Series A Preferred Stock and the Voting Preferred Shares otherwise entitled to vote in accordance herewith; or

(b) The authorization or creation of, or the increase in the authorized amount of, any shares of any class or series or any security convertible into shares of any class or series ranking prior to the Series A Preferred Stock in the distribution on any liquidation, dissolution or winding up of the Corporation or in the payment of dividends; provided, however, that, in the case of each of subparagraphs (a) and (b), no such vote of the holders of Series A Preferred Stock or Voting Preferred Shares, as the case may be, shall be required if, at or prior to the time when such amendment, alteration or repeal is to take effect, or when the issuance of any such prior shares or convertible security is to be made, as the case may be, provision is made for the redemption of all Series A Preferred Stock or Voting Preferred Shares, as the case may be, at the time outstanding in accordance with Section 5 hereof or, in the case of a merger, consolidation or otherwise, regardless of the date of the transaction, the holders of the Series A Preferred Stock receive in the transaction their liquidation preference plus accrued and unpaid dividends.

Section 11. Information Rights. During any period in which the Corporation is not subject to Section 13 or 15(d) of the Securities Exchange Act and any shares of Series A Preferred Stock are outstanding, the Corporation will (i) transmit by mail to all holders of Series A Preferred Stock, as their names and addresses appear in the Corporation's record books and without cost to such holders, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act and (ii) promptly, upon request, supply copies of such reports to any prospective holder of Series A Preferred Stock. The Corporation will mail the information to the holders of Series A Preferred Stock within 15 days after the respective dates by which a periodic report on Form 10-K or Form 10-Q, as the case may be, in respect of such information would have been required to be filed with the Securities and Exchange Commission if the Corporation were subject to Section 13 or 15(d) of the Securities Exchange Act.

Section 12. Record Holders. The Corporation and the Transfer Agent may deem and treat the record holder of any Series A Preferred Stock as the true and lawful owner thereof for all purposes, and neither the Corporation nor the Transfer Agent shall be affected by any notice to the contrary.

Section 13. Restrictions on Ownership and Transfer. The Series A Preferred Stock constitute Preferred Stock, and Preferred Stock constitutes Capital Stock of the Corporation. Therefore, the Series A Preferred Stock, being Capital Stock, is governed by and issued subject to all the limitations, terms and conditions of the Charter applicable to Capital Stock generally, including but not limited to the terms and conditions (including exceptions and exemptions) of Article VII of the Charter applicable to Capital Stock. The foregoing sentence shall not be construed to limit the applicability to the Series A Preferred Stock of any other term or provision of the Charter.

EXHIBIT B
SERIES B PREFERRED STOCK

Under a power contained in the charter (the “**Charter**”) of Colony NorthStar, Inc., a Maryland corporation (the “**Corporation**”), the Board of Directors of the Corporation classified and designated 14,920,000 shares (the “**Shares**”) of the Preferred Stock (as defined in the Charter), as shares of 8.25% Series B Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share (“**Series B Preferred Stock**”), with the following preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption set forth below, which upon any restatement of the Charter, shall be deemed to be part of Article VI of the Charter, with any necessary or appropriate changes to the enumeration or lettering of sections or subsections hereof:

8.25% Series B Cumulative Redeemable Perpetual Preferred Stock

Section 1. Number of Shares and Designation. This series of Preferred Stock shall be designated as 8.25% Series B Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share (the “**Series B Preferred Stock**”), and 14,920,000 shall be the number of shares of Preferred Stock constituting such series.

Section 2. Definitions. For purposes of the Series B Preferred Stock, the following terms shall have the meanings indicated: “**Annual Dividend Rate**” shall have the meaning set forth in paragraph (a) of Section 3 hereof.

“**Board of Directors**” shall mean the Board of Directors of the Corporation or any committee authorized by such Board of Directors to perform any of its responsibilities with respect to the Series B Preferred Stock.

“**Business Day**” shall mean any day other than a Saturday, Sunday or a day on which state or federally chartered banking institutions in New York, New York are not required to be open.

“**Change of Control**” shall have the meaning set forth in paragraph (a) of Section 5 hereof. “**Charter**” shall mean the charter of the Corporation.

“**Common Stock**” shall mean, collectively, the Class A Common Stock of the Corporation, par value \$.01 per share, the Class B Common Stock of the Corporation, par value \$.01 per share, and the Performance Common Stock of the Corporation, par value \$.01 per share.

“**Dividend Payment Date**” shall mean February 15, May 15, August 15 and November 15, of each year, commencing on or about February 15, 2017; provided, however, that if any Dividend Payment Date falls on any day other than a Business Day, the dividend payment due on such Dividend Payment Date shall be paid on the first Business Day immediately following such Dividend Payment Date.

“Dividend Payment Record Date” shall have the meaning set forth in paragraph (a) of Section 3 hereof.

“Dividend Periods” shall mean quarterly dividend periods commencing on February 15, May 15, August 15 and November 15, of each year and ending on and including the day preceding the first day of the next succeeding Dividend Period (other than the initial Dividend Period with respect to each share of Series B Preferred Stock, which, (i) for Series B Preferred Stock issued prior to January 11, 2017, shall commence on, and include, November 15, 2016 and end on and include February 14, 2017; and (ii) for Series B Preferred Stock issued on or after January 11, 2017, shall commence on the Dividend Payment Date with respect to which dividends were actually paid on Series B Preferred Stock that were outstanding immediately preceding the issuance of such Series B Preferred Stock and end on and include the day preceding the first day of the next succeeding Dividend Period).

“Junior Shares” shall mean the Common Stock and any other class or series of stock of the Corporation constituting junior shares of stock within the meaning set forth in paragraph (c) of Section 9 hereof.

“Liquidation Preference” shall have the meaning set forth in paragraph (a) of Section 4 hereof. **“Parity Shares”** shall have the meaning set forth in paragraph (b) of Section 9 hereof.

“Person” shall mean any individual, firm, partnership, corporation, limited liability company or other entity, and shall include any successor (by merger or otherwise) of such entity.

“Redemption Date” shall have the meaning set forth in paragraph (c) of Section 5 hereof. **“Redemption Price”** shall have the meaning set forth in paragraph (c) of Section 5 hereof.

“Series A Preferred Stock” shall mean the 8.75% Series A Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“Series B Preferred Stock” shall have the meaning set forth in Section 1 hereof.

“Series C Preferred Stock” shall mean the 8.875% Series C Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“Series D Preferred Stock” shall mean the 8.500% Series D Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“**Series E Preferred Stock**” shall mean the 8.75% Series E Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“**Series F Preferred Stock**” shall mean the 8.50% Series F Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“**Series G Preferred Stock**” shall mean the 7.50% Series G Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“**Series H Preferred Stock**” shall mean the 7.125% Series H Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“**Set apart for payment**” shall be deemed to include, without any action other than the following, the recording by the Corporation in its accounting ledgers of any accounting or bookkeeping entry which indicates, pursuant to a declaration of a dividend or other distribution by the Board of Directors, the allocation of funds to be so paid on any series or class of shares of stock of the Corporation.

“**Transfer Agent**” means American Stock Transfer & Trust Company, New York, New York, or such other agent or agents of the Corporation as may be designated by the Board of Directors or its designee as the transfer agent for the Series B Preferred Stock.

“**Voting Preferred Shares**” shall have the meaning set forth in Section 10 hereof. “**Voting Stock**” shall have the meaning set forth in paragraph (a) of Section 5 hereof.

Section 3. Dividends.

(a) The holders of Series B Preferred Stock shall be entitled to receive, when, as and if authorized by the Board of Directors and declared by the Corporation out of assets legally available for that purpose, dividends payable in cash at the rate per annum of \$2.0625 per share of Series B Preferred Stock (the “**Annual Dividend Rate**”) (equivalent to a rate of 8.25% of the Liquidation Preference per annum). Such dividends with respect to each share of Series B Preferred Stock issued prior to January 11, 2017 shall be cumulative from, and including, November 15, 2016 and with respect to each share of Series B Preferred Stock issued on or after January 11, 2017 shall be cumulative from the Dividend Payment Date with respect to which dividends were actually paid on shares of Series B Preferred Stock that were outstanding immediately preceding the issuance of such shares of Series B Preferred Stock, whether or not in any Dividend Period or Periods there shall be assets of the Corporation legally available for the payment of such dividends, and shall be payable quarterly, when, as and if authorized by the Board of Directors and declared by the Corporation, in arrears on Dividend Payment Dates, commencing with respect to each share of Series B Preferred Stock on the first Dividend Payment Date following issuance of such shares of Series B Preferred Stock. Dividends are cumulative from the most recent Dividend Payment Date to which dividends have been paid.

whether or not in any Dividend Period or Periods there shall be assets legally available therefor. Each such dividend shall be payable in arrears to the holders of record of the Series B Preferred Stock, as they appear on the share records of the Corporation at the close of business on such record dates, not more than 30 days preceding the applicable Dividend Payment Date (the “**Dividend Payment Record Date**”), as shall be fixed by the Board of Directors. Accrued and unpaid dividends for any past Dividend Periods may be authorized and declared and paid at any time, without reference to any regular Dividend Payment Date, to holders of record on such date, not exceeding 45 days preceding the payment date thereof, as may be fixed by the Board of Directors. If following a Change of Control, the Series B Preferred Stock is not listed on the New York Stock Exchange or the American Stock Exchange or quoted on NASDAQ, the Annual Dividend Rate will be increased to \$2.3125 per share of Series B Preferred Stock (equivalent to a rate of 9.25% of the Liquidation Preference per annum) and the holders of Series B Preferred Stock shall be entitled to receive, when, as and if authorized by the Board of Directors and declared by the Corporation out of assets legally available for that purpose, dividends payable in cash cumulative from, but excluding, the first date on which both the Change of Control has occurred and the Series B Preferred Stock is not so listed or quoted at the increased Annual Dividend Rate for as long as the Series B Preferred Stock is not so listed or quoted.

(b) The amount of dividends payable for each full Dividend Period for the Series B Preferred Stock shall be computed by dividing the Annual Dividend Rate by four. The amount of dividends payable for the initial Dividend Period, or any other period shorter or longer than a full Dividend Period, on the Series B Preferred Stock shall be computed on the basis of twelve 30-day months and a 360-day year. Holders of Series B Preferred Stock shall not be entitled to any dividends, whether payable in cash, property or stock, in excess of cumulative dividends, as herein provided, on the Series B Preferred Stock. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on the Series B Preferred Stock that may be in arrears.

(c) So long as any shares of Series B Preferred Stock are outstanding, no dividends, except as described in the immediately following sentence, shall be authorized and declared or paid or set apart for payment on any series or class or classes of Parity Shares for any period unless full cumulative dividends have been or contemporaneously are authorized and declared and paid or authorized and declared and a sum sufficient for the payment thereof set apart for such payment on the Series B Preferred Stock for all past Dividend Periods. When dividends are not paid in full or a sum sufficient for such payment is not set apart, as aforesaid, all dividends authorized and declared upon Series B Preferred Stock and all dividends authorized and declared upon any other series or class or classes of Parity Shares shall be authorized and declared ratably in proportion to the respective amounts of dividends accumulated and unpaid on the Series B Preferred Stock and such Parity Shares.

(d) So long as any shares of Series B Preferred Stock are outstanding, no dividends (other than dividends or distributions paid solely in shares of, or options, warrants or rights to subscribe for or purchase shares of, Junior Shares) shall be authorized and declared or paid or set apart for payment or other distribution authorized and declared or made upon Junior Shares, nor shall any Junior Shares be redeemed, purchased or otherwise acquired (other than a redemption, purchase or other acquisition of Common Stock made for purposes of and in

compliance with requirements of an employee incentive or benefit plan of the Corporation or any subsidiary, or as permitted under Article VII of the Charter), for any consideration (or any moneys to be paid to or made available for a sinking fund for the redemption of any such shares) by the Corporation, directly or indirectly (except by conversion into or exchange for Junior Shares), unless in each case the full cumulative dividends on all outstanding Series B Preferred Stock and any other Parity Shares of the Corporation shall have been paid or set apart for payment for all past Dividend Periods with respect to the Series B Preferred Stock and all past dividend periods with respect to such Parity Shares.

Section 4. Liquidation Preference. (a) In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, before any payment or distribution of the assets of the Corporation (whether capital or surplus) shall be made to or set apart for the holders of Junior Shares, the holders of Series B Preferred Stock shall be entitled to receive Twenty-Five Dollars (\$25.00) per share of the Series B Preferred Stock (the "**Liquidation Preference**") plus an amount equal to all dividends (whether or not earned or declared) accrued and unpaid thereon to the date of final distribution to such holder; but such holders of Series B Preferred Stock shall not be entitled to any further payment. If, upon any such liquidation, dissolution or winding up of the Corporation, the assets of the Corporation, or proceeds thereof, distributable among the holders of Series B Preferred Stock shall be insufficient to pay in full the preferential amount aforesaid and liquidating payments on any other Parity Shares, then such assets, or the proceeds thereof, shall be distributed among the holders of such Series B Preferred Stock and any such other Parity Shares ratably in accordance with the respective amounts that would be payable on such Series B Preferred Stock and any such other Parity Shares if all amounts payable thereon were paid in full. For the purposes of this Section 4, (i) a consolidation or merger of the Corporation with one or more entities, (ii) a statutory share exchange and (iii) a sale or transfer of all or substantially all of the Corporation's assets shall not be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary, of the Corporation.

(b) Subject to the rights of the holders of shares of any series or class or classes of shares of stock ranking on a parity with or prior to the Series B Preferred Stock upon liquidation, dissolution or winding up, upon any liquidation, dissolution or winding up of the Corporation, after payment shall have been made in full to the holders of the Series B Preferred Stock, as provided in this Section 4, any series or class or classes of Junior Shares shall, subject to any respective terms and provisions applying thereto, be entitled to receive any and all assets remaining to be paid or distributed, and the holders of the Series B Preferred Stock shall not be entitled to share therein.

Section 5. Redemption at the Option of the Corporation. (a) If at any time following a change of control, the Series B Preferred Stock is not listed on the New York Stock Exchange or American Stock Exchange, or quoted on NASDAQ, the Corporation will have the option to redeem the Series B Preferred Stock, in whole but not in part, within 90 days after the first date on which both the change of control has occurred and the Series B Preferred Stock is not so listed or quoted, for cash at \$25.00 per share plus accrued and unpaid dividends (whether or not declared), to the redemption date. A "**Change of Control**" shall be deemed to have occurred at such time as (i) the date a "person" or "group" (within the meaning of Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Securities Exchange Act")) becomes

the ultimate “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act, except that a person or group shall be deemed to have beneficial ownership of all shares of voting stock that such person or group has the right to acquire regardless of when such right is first exercisable), directly or indirectly, of voting stock representing more than 50% of the total voting power of the total voting stock of the Corporation; (ii) the date the Corporation sells, transfers or otherwise disposes of all or substantially all of its assets; or (iii) the date of the consummation of a merger or share exchange of the Corporation with another entity where the Corporation’s stockholders immediately prior to the merger or share exchange would not beneficially own, immediately after the merger or share exchange, shares representing 50% or more of all votes (without consideration of the rights of any class of stock to elect directors by a separate group vote) to which all stockholders of the corporation issuing cash or securities in the merger or share exchange would be entitled in the election of directors, or where members of the Board of Directors immediately prior to the merger or share exchange would not immediately after the merger or share exchange constitute a majority of the board of directors of the corporation issuing cash or securities in the merger or share exchange. “**Voting Stock**” shall mean stock of any class or kind having the power to vote generally in the election of directors. Any redemption pursuant to this Section 5(a) shall follow generally the procedures set forth in the second paragraph of Section 5(c).

(b) Except as otherwise permitted by the Charter and paragraph (a) above, the Series B Preferred Stock shall not be redeemable by the Corporation prior to February 7, 2012. On and after February 7, 2012, the Corporation, at its option, may redeem the shares of Series B Preferred Stock, in whole or in part, as set forth herein, subject to the provisions described below.

(c) On and after February 7, 2012, the Series B Preferred Stock shall be redeemable at the option of the Corporation, in whole or in part, at any time or from time to time, at a redemption price of \$25.00 per share of Series B Preferred Stock, plus any accrued and unpaid dividends to the date fixed for redemption (the “**Redemption Price**”). Each date on which Series B Preferred Stock are to be redeemed (a “**Redemption Date**”) (which may not be before February 7, 2012) shall be selected by the Corporation, shall be specified in the notice of redemption and shall not be less than 30 days or more than 60 days after the date on which the Corporation gives, or causes to be given, notice of redemption by mail pursuant to the next paragraph.

A notice of redemption (which may be contingent on the occurrence of a future event) shall be mailed, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date, addressed to the respective holders of record of the Series B Preferred Stock at their respective addresses as they appear on the Corporation’s share transfer records. A failure to give such notice or any defect in the notice or in its mailing shall not affect the validity of the proceedings for the redemption of any Series B Preferred Stock except as to the holder to whom notice was defective or not given. Each notice shall state: (i) the Redemption Date; (ii) the Redemption Price; (iii) the number of shares of Series B Preferred Stock to be redeemed and, if fewer than all the shares of Series B Preferred Stock held by such holder are to be redeemed, the number of such shares of Series B Preferred Stock to be redeemed from such holder; (iv) the place or places where the certificates evidencing the shares of Series B Preferred Stock are to be surrendered for payment of the Redemption Price; and (v) that distributions on the shares to be redeemed will cease to accrue on such Redemption Date except as otherwise provided herein.

(d) Upon any redemption of Series B Preferred Stock, the Corporation shall pay any accrued and unpaid dividends in arrears for any Dividend Period ending on or prior and up to the Redemption Date. If the Redemption Date falls after a Dividend Payment Record Date and prior to the corresponding Dividend Payment Date, then each holder of Series B Preferred Stock at the close of business on such Dividend Payment Record Date shall be entitled to the dividend payable on such Series B Preferred Stock on the corresponding Dividend Payment Date notwithstanding the redemption of such Series B Preferred Stock before such Dividend Payment Date. Except as provided above, the Corporation shall make no payment or allowance for unpaid dividends, whether or not in arrears, on Series B Preferred Stock called for redemption.

(e) If full cumulative dividends on the Series B Preferred Stock and any other series or class or classes of Parity Shares of the Corporation have not been paid or declared and set apart for payment, except as otherwise permitted under the Charter, the Series B Preferred Stock may not be redeemed in part and the Corporation may not purchase, redeem or otherwise acquire Series B Preferred Stock or any Parity Shares other than in exchange for Junior Shares.

(f) Notice having been mailed as aforesaid, from and after the Redemption Date (unless the Corporation shall fail to make available the amount of cash necessary to effect such redemption), (i) except as otherwise provided herein, dividends on the shares of Series B Preferred Stock so called for redemption shall cease to accrue, (ii) said shares shall no longer be deemed to be outstanding, and (iii) all rights of the holders thereof as holders of Series B Preferred Stock of the Corporation shall cease (except the rights to receive the cash payable upon such redemption, without interest thereon, upon surrender and endorsement of their certificates if so required and to receive any dividends payable thereon). The Corporation's obligation to provide cash in accordance with the preceding sentence shall be deemed fulfilled if, on or before the Redemption Date, the Corporation shall deposit with a bank or trust company (which may be an affiliate of the Corporation) that has an office in the Borough of Manhattan, City of New York, or in Baltimore, Maryland and that has, or is an affiliate of a bank or trust company that has, a capital and surplus of at least \$50,000,000, the cash necessary for such redemption, in trust, with irrevocable instructions that such cash be applied to the redemption of the Series B Preferred Stock so called for redemption. No interest shall accrue for the benefit of the holder of Series B Preferred Stock to be redeemed on any cash so set aside by the Corporation. Subject to applicable escheat laws, any such cash unclaimed at the end of two years from the Redemption Date shall revert to the general funds of the Corporation, after which reversion the holders of such shares so called for redemption shall look only to the general funds of the Corporation for the payment of such cash.

As promptly as practicable after the surrender in accordance with said notice of the certificates for any such shares of Series B Preferred Stock so redeemed (properly endorsed or assigned for transfer, if the Corporation shall so require and if the notice shall so state), such shares of Series B Preferred Stock shall be exchanged for the cash (without interest thereon) for which such shares of Series B Preferred Stock have been redeemed. If fewer than all of the outstanding shares of Series B Preferred Stock are to be redeemed, the shares of Series B Preferred Stock to be redeemed shall be selected by the Corporation from the outstanding shares

of Series B Preferred Stock not previously called for redemption by lot or pro rata (as nearly as may be) or by any other method determined by the Corporation in its sole discretion to be equitable. If fewer than all the shares of Series B Preferred Stock evidenced by any certificate are redeemed, then new certificates evidencing the unredeemed shares of Series B Preferred Stock shall be issued without cost to the holder thereof.

Section 6. Reacquired Shares to Be Retired. All shares of Series B Preferred Stock which shall have been issued and reacquired in any manner by the Corporation shall be restored to the status of authorized but unissued shares of Preferred Stock, without designation as to series.

Section 7. No Right of Conversion. The Series B Preferred Stock are not convertible into or exchangeable for any other property or securities of the Corporation at the option of any holder of Series B Preferred Stock.

Section 8. Permissible Distributions. In determining whether a distribution (other than upon liquidation, dissolution or winding up), whether by dividend, or upon redemption or other acquisition of shares or otherwise, is permitted under Maryland law, amounts that would be needed, if the Corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of holders of shares of any class or series of stock whose preferential rights upon dissolution are superior or prior to those receiving the distribution shall not be added to the Corporation's total liabilities.

Section 9. Ranking. Any class or series of stock of the Corporation shall be deemed to rank:

(a) prior to the Series B Preferred Stock, as to the payment of dividends and as to distribution of assets upon liquidation, dissolution or winding up, if the holders of such class or series shall be entitled to the receipt of dividends or of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in preference or priority to the holders of Series B Preferred Stock;

(b) on a parity with the Series B Preferred Stock, as to the payment of dividends and as to the distribution of assets upon liquidation, dissolution or winding up, whether or not the dividend rates, dividend payment dates or redemption or liquidation prices per share thereof be different from those of the Series B Preferred Stock, if the holders of such class or series and the Series B Preferred Stock shall be entitled to the receipt of dividends and of amounts distributable upon liquidation, dissolution or winding up in proportion to their respective amounts of accrued and unpaid dividends per share or liquidation preferences, without preference or priority one over the other ("**Parity Shares**"); and

(c) junior to the Series B Preferred Stock, as to the payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up, if such class or series of stock shall be Common Stock or if the holders of Series B Preferred Stock shall be entitled to receipt of dividends or of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in preference or priority to the holders of such class or series, and such class or series shall not in either case rank prior to the Series B Preferred Stock ("**Junior Shares**").

As of the date hereof, 2,900,000 authorized shares of Series A Preferred Stock, 5,750,000 authorized shares of Series C Preferred Stock, 8,050,000 authorized shares of Series D Preferred Stock, 10,350,000 authorized shares of Series E Preferred Stock, 10,400,000 authorized shares of Series F Preferred Stock, 3,450,000 authorized shares of Series G Preferred Stock and 11,500,000 authorized shares of Series H Preferred Stock are Parity Shares.

Section 10. Voting. Except as otherwise set forth herein, the Series B Preferred Stock shall not have any relative, participating, optional or other voting rights or powers, and the consent of the holders thereof shall not be required for the taking of any corporate action.

If and whenever six quarterly dividends (whether or not consecutive) payable on the Series B Preferred Stock or any series or class of Parity Shares shall be in arrears (which shall, with respect to any such quarterly dividend, mean that any such dividend has not been paid in full), whether or not earned or declared, the number of directors then constituting the Board of Directors shall be increased by two and the holders of Series B Preferred Stock, together with the holders of shares of every other series or class of Parity Shares having like voting rights (shares of any such other series, the "**Voting Preferred Shares**"), voting as a single class regardless of series, shall be entitled to elect two additional directors to serve on the Board of Directors at any annual meeting of stockholders or special meeting held in place thereof, or at a special meeting of the holders of Series B Preferred Stock and the Voting Preferred Shares called as hereinafter provided. Whenever all arrears in dividends on the Series B Preferred Stock and the Voting Preferred Shares then outstanding shall have been paid and full dividends thereon for the current quarterly dividend period shall have been paid or declared and set apart for payment, then the right of the holders of the Series B Preferred Stock and the Voting Preferred Shares to elect such additional directors shall cease (but subject always to the same provision for the vesting of such voting rights in the case of any similar future arrearages in six quarterly dividends), and the terms of office of the persons elected as directors by the holders of the Series B Preferred Stock and the Voting Preferred Shares shall forthwith terminate and the number of directors constituting the Board of Directors shall be reduced accordingly. At any time after such voting power shall have been so vested in the holders of shares of Series B Preferred Stock and the Voting Preferred Shares, the Secretary of the Corporation may, and upon the written request of any holder of Series B Preferred Stock (addressed to the Secretary at the principal office of the Corporation) shall, call a special meeting of the holders of the Series B Preferred Stock and of the Voting Preferred Shares for the election of the directors to be elected by them as herein provided, such call to be made by notice similar to that provided in the Bylaws of the Corporation for a special meeting of the stockholders or as required by law. If any such special meeting required to be called as above provided shall not be called by the Secretary within 20 days after receipt of such request, then any holder of Series B Preferred Stock may call such meeting, upon the notice above provided, and for that purpose shall have access to the stock books of the Corporation. The directors elected at any such special meeting shall hold office until the next annual meeting of the stockholders or special meeting held in lieu thereof, and until their successors are duly elected and qualify, and if such office shall not have previously terminated as above provided. If any vacancy shall occur among the directors elected by the holders of the Series B Preferred Stock and the Voting Preferred Shares, a successor shall be elected by the Board of Directors to serve until the next annual meeting of the stockholders or special meeting held in place thereof, and until their successors are duly elected and qualify, and if such office shall not have previously terminated as provided above. In no event shall the

holders of Series B Preferred Stock be entitled pursuant to this Section 10 to elect a director that would cause the Corporation to fail to satisfy a requirement relating to director independence of any national securities exchange on which any class or series of the Corporation's stock is listed.

So long as any shares of Series B Preferred Stock are outstanding, in addition to any other vote or consent of stockholders required by the Charter, the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the holders of Series B Preferred Stock and the Voting Preferred Shares, at the time outstanding, voting as a single class regardless of series, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(a) Any amendment, alteration or repeal of any of the provisions of the Charter or these Articles Supplementary that materially and adversely affects the voting powers, rights or preferences of the holders of the Series B Preferred Stock or the Voting Preferred Shares; provided, however, that (i) the amendment of the provisions of the Charter so as to authorize or create or to increase the authorized amount of, any Junior Shares or any shares of any class or series ranking on a parity with the Series B Preferred Stock or the Voting Preferred Shares (including any amendment to increase the amount of authorized shares of Series B Preferred Stock) shall not be deemed to materially adversely affect the voting powers, rights or preferences of the holders of Series B Preferred Stock and (ii) any filing with the State Department of Assessments and Taxation of Maryland by the Corporation including in connection with a merger, consolidation or otherwise, shall not be deemed to be an amendment, alteration or repeal of any of the provisions of the Charter or these Articles Supplementary that materially and adversely affects the voting powers, rights or preferences of the holders of the Series B Preferred Stock, provided that: (1) the Corporation is the surviving entity and the Series B Preferred Stock remain outstanding with the terms thereof materially unchanged in any respect adverse to the holders thereof; or (2) the resulting, surviving or transferee entity is organized under the laws of any state and substitutes or exchanges the Series B Preferred Stock for other preferred stock or shares having preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption thereof that are substantially similar to that of the Series B Preferred Stock (except for changes that do not materially and adversely affect the holders of Series B Preferred Stock); and provided further, that if any such amendment, alteration or repeal would materially and adversely affect any voting powers, rights or preferences of the Series B Preferred Stock or one or more but not all series of Voting Preferred Shares at the time outstanding, the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the holders of all series similarly affected, at the time outstanding, voting as a single class regardless of series, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be required in lieu of the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the holders of the Series B Preferred Stock and the Voting Preferred Shares otherwise entitled to vote in accordance herewith; or

(b) The authorization or creation of, or the increase in the authorized amount of, any shares of any class or series or any security convertible into shares of any class or series ranking prior to the Series B Preferred Stock in the distribution on any liquidation, dissolution or winding up of the Corporation or in the payment of dividends; provided, however, that, in the case of each of subparagraphs (a) and (b), no such vote of the holders of Series B Preferred Stock

or Voting Preferred Shares, as the case may be, shall be required if, at or prior to the time when such amendment, alteration or repeal is to take effect, or when the issuance of any such prior shares or convertible security is to be made, as the case may be, provision is made for the redemption of all Series B Preferred Stock or Voting Preferred Shares, as the case may be, at the time outstanding in accordance with Section 5 hereof or, in the case of a merger, consolidation or otherwise, regardless of the date of the transaction, the holders of the Series B Preferred Stock receive in the transaction their liquidation preference plus accrued and unpaid dividends.

Section 11. Information Rights. During any period in which the Corporation is not subject to Section 13 or 15(d) of the Securities Exchange Act and any shares of Series B Preferred Stock are outstanding, the Corporation will (i) transmit by mail to all holders of Series B Preferred Stock, as their names and addresses appear in the Corporation's record books and without cost to such holders, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act and (ii) promptly, upon request, supply copies of such reports to any prospective holder of Series B Preferred Stock. The Corporation will mail the information to the holders of Series B Preferred Stock within 15 days after the respective dates by which a periodic report on Form 10-K or Form 10-Q, as the case may be, in respect of such information would have been required to be filed with the Securities and Exchange Commission if the Corporation were subject to Section 13 or 15(d) of the Securities Exchange Act.

Section 12. Record Holders. The Corporation and the Transfer Agent may deem and treat the record holder of any Series B Preferred Stock as the true and lawful owner thereof for all purposes, and neither the Corporation nor the Transfer Agent shall be affected by any notice to the contrary.

Section 13. Restrictions on Ownership and Transfer. The Series B Preferred Stock constitute Preferred Stock, and Preferred Stock constitutes Capital Stock of the Corporation. Therefore, the Series B Preferred Stock, being Capital Stock, is governed by and issued subject to all the limitations, terms and conditions of the Charter applicable to Capital Stock generally, including but not limited to the terms and conditions (including exceptions and exemptions) of Article VII of the Charter applicable to Capital Stock. The foregoing sentence shall not be construed to limit the applicability to the Series B Preferred Stock of any other term or provision of the Charter.

EXHIBIT C
SERIES C PREFERRED STOCK

Under a power contained in the charter (the “**Charter**”) of Colony NorthStar, Inc., a Maryland corporation (the “**Corporation**”), the Board of Directors of the Corporation, classified and designated 5,750,000 shares (the “**Shares**”) of the Preferred Stock (as defined in the Charter), as shares of 8.875% Series C Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share (the “**Series C Preferred Stock**”), with the following preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption set forth below, which upon any restatement of the Charter, shall be deemed to be part of Article VI of the Charter, with any necessary or appropriate changes to the enumeration or lettering of sections or subsections hereof:

8.875% Series C Cumulative Redeemable Perpetual Preferred Stock

Section 1. Number of Shares and Designation. This series of Preferred Stock shall be designated as 8.875% Series C Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share (the “**Series C Preferred Stock**”), and 5,750,000 shall be the number of shares of Preferred Stock constituting such series.

Section 2. Definitions. For purposes of the Series C Preferred Stock, the following terms shall have the meanings indicated: “**Alternative Conversion Consideration**” shall have the meaning set forth in paragraph (e) of Section 7 hereof. “**Alternative Form Consideration**” shall have the meaning set forth in paragraph (e) of Section 7 hereof.

“**Annual Dividend Rate**” shall have the meaning set forth in paragraph (a) of Section 3 hereof.

“**Board of Directors**” shall mean the Board of Directors of the Corporation or any committee authorized by such Board of Directors to perform any of its responsibilities with respect to the Series C Preferred Stock.

“**Business Day**” shall mean any day other than a Saturday, Sunday or a day on which state or federally chartered banking institutions in New York, New York are not required to be open.

“**Change of Control Conversion Date**” shall have the meaning set forth in paragraph (c) of Section 7 hereof. “**Change of Control Conversion Right**” shall have the meaning set forth in paragraph (a) of Section 7 hereof.

“Change of Control” shall have the meaning set forth in paragraph (a) of Section 5 hereof. **“Charter”** shall mean the charter of the Corporation.

“Class A Common Stock” shall mean the Class A Common Stock of the Corporation, par value \$.01 per share.

“Common Stock” shall mean, collectively, the Class A Common Stock, the Class B Common Stock of the Corporation, par value \$.01 per share, and the Performance Common Stock of the Corporation, par value \$.01 per share.

“Common Stock Conversion Consideration” shall have the meaning set forth in paragraph (a) of Section 7 hereof. **“Common Stock Price”** shall have the meaning set forth in paragraph (d) of Section 7 hereof.

“Conversion Consideration” shall have the meaning set forth in paragraph (e) of Section 7 hereof. **“Conversion Rate”** shall have the meaning set forth in paragraph (a) of Section 7 hereof. **“Depository”** shall have the meaning set forth in paragraph (l) of Section 7 hereof.

“Dividend Parity Stock” shall have the meaning set forth in paragraph (c) of Section 3 hereof.

“Dividend Payment Date” shall mean February 15, May 15, August 15 and November 15, of each year, commencing on or about February 15, 2017; provided, however, that if any Dividend Payment Date falls on any day other than a Business Day, the dividend payment due on such Dividend Payment Date shall instead be paid on the first Business Day immediately following such Dividend Payment Date without any adjustment to the amount of the dividend due on that Dividend Payment Date on account of such delay.

“Dividend Payment Record Date” shall have the meaning set forth in paragraph (a) of Section 3 hereof.

“Dividend Period” shall mean a quarterly dividend period commencing on, and including, a Dividend Payment Date and ending on, but excluding, the next succeeding Dividend Payment Date (other than the initial Dividend Period with respect to each share of Series C Preferred Stock, which, (i) for shares of Series C Preferred Stock issued prior to January 11, 2017, shall commence on, and include, November 15, 2016 and end on, but exclude, the first Dividend Payment Date; and (ii) for shares of Series C Preferred

Stock issued on or after January 11, 2017, shall commence on, and include, the Dividend Payment Date with respect to which dividends were actually paid on Series C Preferred Stock that were outstanding immediately preceding the issuance of such Series C Preferred Stock and end on, but exclude, the next succeeding Dividend Payment Date).

“**DTC**” shall have the meaning set forth in paragraph (l) of Section 7 hereof.

“**Exchange Cap**” shall have the meaning set forth in paragraph (b) of Section 7 hereof.

“**Junior Shares**” shall mean the Common Stock and any other class or series of stock of the Corporation constituting junior shares of stock within the meaning set forth in paragraph (c) of Section 9 hereof.

“**Liquidation Preference**” shall have the meaning set forth in paragraph (a) of Section 4 hereof.

“**Person**” shall mean any individual, firm, partnership, corporation, limited liability company or other entity, and shall include any successor (by merger or otherwise) of such entity.

“**Preferred Directors**” shall have the meaning set forth in Section 10 hereof. “**Redemption Date**” shall have the meaning set forth in paragraph (c) of Section 5 hereof. “**Redemption Price**” shall have the meaning set forth in paragraph (a) of Section 5 hereof.

“**Securities Exchange Act**” shall have the meaning set forth in paragraph (a) of Section 5 hereof.

“**Series A Preferred Stock**” shall mean the 8.75% Series A Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“**Series B Preferred Stock**” shall mean the 8.25% Series B Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“**Series C Preferred Stock**” shall have the meaning set forth in Section 1 hereof.

“**Series D Preferred Stock**” shall mean the 8.500% Series D Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“**Series E Preferred Stock**” shall mean the 8.75% Series E Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“**Series F Preferred Stock**” shall mean the 8.50% Series F Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“**Series G Preferred Stock**” shall mean the 7.50% Series G Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“**Series H Preferred Stock**” shall mean the 7.125% Series H Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“**Set apart for payment**” shall be deemed to include, without any action other than the following, the recording by the Corporation in its accounting ledgers of any accounting or bookkeeping entry which indicates, pursuant to a declaration of a dividend or other distribution by the Board of Directors, the allocation of funds to be so paid on any series or class of shares of stock of the Corporation.

“**Share Cap**” shall have the meaning set forth in paragraph (a) of Section 7 hereof.

“**Share Split**” shall have the meaning set forth in paragraph (b) of Section 7 hereof.

“**Transfer Agent**” means American Stock Transfer & Trust Company, New York, New York, or such other agent or agents of the Corporation as may be designated by the Board of Directors or its designee as the transfer agent for the Series C Preferred Stock.

“**Voting Preferred Shares**” shall have the meaning set forth in Section 10 hereof. “**Voting Stock**” shall have the meaning set forth in paragraph (a) of Section 5 hereof.

Section 3. Dividends. (a) The holders of Series C Preferred Stock shall be entitled to receive, when, as and if authorized by the Board of Directors and declared by the Corporation out of assets legally available for that purpose, dividends payable in cash at the rate per annum of \$2.21875 per share of Series C Preferred Stock (the “**Annual Dividend Rate**”) (equivalent to a rate of 8.875% of the Liquidation Preference per annum). Such dividends with respect to each share of Series C Preferred Stock issued prior to January 11, 2017 shall be cumulative from, and including, November 15, 2016 and with respect to each share of Series C Preferred Stock issued on or after January 11, 2017 shall be cumulative from, and including, the Dividend Payment Date with respect to which dividends were actually paid on shares of Series C Preferred Stock that were outstanding immediately preceding the issuance of such shares of Series C Preferred Stock, whether or not in any Dividend Period or Periods there shall be assets of the Corporation legally available for the payment of such dividends, and shall be payable quarterly, when, as and if authorized by the Board of Directors and declared by the Corporation, in arrears on Dividend Payment Dates, commencing with respect to each share of Series C Preferred Stock on the first Dividend Payment Date following issuance of such shares of Series C Preferred Stock. Dividends are cumulative from the most recent Dividend Payment Date to which dividends have been paid, whether or not in any Dividend Period or Periods there shall be

assets legally available therefor. Each such dividend shall be payable in arrears to the holders of record of the Series C Preferred Stock, as they appear on the share records of the Corporation at the close of business on such record dates, not more than 30 days preceding the applicable Dividend Payment Date (the “**Dividend Payment Record Date**”), as shall be fixed by the Board of Directors. Accrued and unpaid dividends for any past Dividend Periods may be authorized and declared and paid at any time, without reference to any regular Dividend Payment Date, to holders of record on such date, not exceeding 30 days preceding the payment date thereof, as may be fixed by the Board of Directors.

(b) The amount of dividends payable for each full Dividend Period for the Series C Preferred Stock shall be computed by dividing the Annual Dividend Rate by four. The amount of dividends payable for the initial Dividend Period, or any other period shorter or longer than a full Dividend Period, on the Series C Preferred Stock shall be computed on the basis of twelve 30-day months and a 360-day year. Holders of Series C Preferred Stock shall not be entitled to any dividends, whether payable in cash, property or stock, in excess of cumulative dividends, as herein provided, on the Series C Preferred Stock. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on the Series C Preferred Stock that may be in arrears.

(c) So long as any shares of Series C Preferred Stock are outstanding, no dividends, except as described in the immediately following sentence, shall be authorized and declared or paid or set apart for payment on any series or class or classes of capital stock of the Corporation ranking on a parity with the Series C Preferred Stock as to payment of dividends (“**Dividend Parity Stock**”) for any period unless full cumulative dividends have been or contemporaneously are authorized, declared and paid or authorized, declared and a sum sufficient for the payment thereof set apart for such payment on the Series C Preferred Stock for all past Dividend Periods. When dividends are not paid in full or a sum sufficient for such payment is not set apart, as aforesaid, all dividends authorized and declared upon Series C Preferred Stock and all dividends authorized and declared upon any series or class or classes of Dividend Parity Stock shall be authorized and declared ratably in proportion to the respective amounts of dividends accrued and unpaid on the Series C Preferred Stock and such Dividend Parity Stock.

(d) So long as any shares of Series C Preferred Stock are outstanding, no dividends (other than dividends or distributions paid solely in shares of, or options, warrants or rights to subscribe for or purchase shares of, Junior Shares) shall be authorized and declared or paid or set apart for payment or other distribution authorized and declared or made upon Junior Shares, nor shall any Junior Shares be redeemed, purchased or otherwise acquired (other than (i) a redemption, purchase or other acquisition of Common Stock made for purposes of and in compliance with requirements of an employee incentive or benefit plan of the Corporation or any subsidiary, (ii) pursuant to Article VII of the Charter, (iii) as a result of a reclassification of such Junior Shares for or into other Junior Shares, or (iv) the purchase of fractional interests in Junior Shares pursuant to the conversion or exchange provisions of any securities convertible into or exchangeable for such Junior Shares), for any consideration (or any monies to be paid to or made available for a sinking fund for the redemption of any such shares) by the Corporation, directly or indirectly (except by conversion into or exchange for Junior Shares), unless in each case the

full cumulative dividends on all outstanding Series C Preferred Stock and any Dividend Parity Stock of the Corporation shall have been paid or set apart for payment for all past Dividend Periods with respect to the Series C Preferred Stock and all past dividend periods with respect to such Dividend Parity Stock.

Section 4. Liquidation Preference. (a) In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, before any payment or distribution of the assets of the Corporation (whether capital or surplus) shall be made to or set apart for the holders of Junior Shares, the holders of Series C Preferred Stock shall be entitled to receive \$25.00 per share of the Series C Preferred Stock (the "**Liquidation Preference**") plus an amount equal to all dividends (whether or not earned or declared) accrued and unpaid thereon to the date of final distribution to such holder; but such holders of Series C Preferred Stock shall not be entitled to any further payment. If, upon any such liquidation, dissolution or winding up of the Corporation, the assets of the Corporation, or proceeds thereof, distributable among the holders of Series C Preferred Stock shall be insufficient to pay in full the preferential amount aforesaid and liquidating payments on any other capital stock of the Corporation ranking on a parity with the Series C Preferred Stock as to such distribution, then such assets, or the proceeds thereof, shall be distributed among the holders of such Series C Preferred Stock and any such other stock ratably in accordance with the respective amounts that would be payable on such Series C Preferred Stock and any such other stock if all amounts payable thereon were paid in full. For the purposes of this Section 4, (i) a consolidation or merger of the Corporation with one or more entities, (ii) a statutory share exchange and (iii) a sale or transfer of all or substantially all of the Corporation's assets shall not be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary, of the Corporation.

(b) Subject to the rights of the holders of shares of any series or class or classes of shares of stock ranking on a parity with or prior to the Series C Preferred Stock upon liquidation, dissolution or winding up, upon any liquidation, dissolution or winding up of the Corporation, after payment shall have been made in full to the holders of the Series C Preferred Stock, as provided in this Section 4, any series or class or classes of Junior Shares shall, subject to any respective terms and provisions applying thereto, be entitled to receive any and all assets remaining to be paid or distributed, and the holders of the Series C Preferred Stock shall not be entitled to share therein.

Section 5. Redemption at the Option of the Corporation.

(a) Notwithstanding anything to the contrary contained in Section 7(a), upon the occurrence of a Change of Control, the Corporation may, at its option, upon not less than 30 nor more than 90 days' written notice, redeem the Series C Preferred Stock, in whole, at any time, or in part, from time to time, within 120 days after the first date on which such Change of Control occurred, for cash at a redemption price of \$25.00 per share, plus any accrued and unpaid dividends thereon (whether or not declared) to, but not including, the date fixed for redemption (the "**Redemption Price**"); provided that, if the Redemption Date is after a Dividend Payment Record Date and prior to the corresponding Dividend Payment Date, no additional amount for such accrued and unpaid dividend will be included in the Redemption Price and the dividend payments on such Dividend Payment Date shall be made pursuant to Section 5(d). If,

prior to the Change of Control Conversion Date, the Corporation has provided notice of its election to redeem some or all of the shares of Series C Preferred Stock pursuant to this Section 5, the holders of Series C Preferred Stock will not have the Change of Control Conversion Right (as hereinafter defined) with respect to the shares called for redemption. If the Corporation elects to redeem any shares of Series C Preferred Stock as described in this Section 5(a), it may use any available cash to pay the Redemption Price, and it will not be required to pay the Redemption Price only out of the proceeds from the issuance of other equity securities or any other specific source. A “**Change of Control**” shall be deemed to have occurred at such time as (i) (A) the date a “person”, including any syndicate or group deemed to be a person within the meaning of Sections 13(d)

(3) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “**Securities Exchange Act**”) becomes the ultimate “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act, except that a person or group shall be deemed to have beneficial ownership of all shares of voting stock that such person or group has the right to acquire regardless of when such right is first exercisable), directly or indirectly, of voting stock representing more than 50% of the total voting power of the total voting stock of the Corporation; or (B) the date of the consummation of a merger or share exchange of the Corporation with another entity where the Corporation’s stockholders immediately prior to the merger or share exchange would not beneficially own, immediately after the merger or share exchange, shares representing 50% or more of all votes (without consideration of the rights of any class of stock to elect directors by a separate group vote) to which all stockholders of the corporation issuing cash or securities in the merger or share exchange would be entitled in the election of directors, or where members of the Board of Directors immediately prior to the merger or share exchange would not immediately after the merger or share exchange constitute a majority of the board of directors of the corporation issuing cash or securities in the merger or share exchange, and (ii) following the closing of any transaction referred to in clause (i), neither the Corporation nor the acquiring or surviving entity has a class of common equity securities (or American Depositary Receipts representing such securities) listed on the New York Stock Exchange, the NYSE MKT or the NASDAQ Stock Market, or listed or quoted on an exchange or quotation system that is a successor to any such securities exchange. “**Voting Stock**” shall mean stock of any class or kind having the power to vote generally in the election of directors. Any redemption pursuant to this Section 5(a) shall follow generally the procedures set forth in the second paragraph of Section 5(c).

(b) Except as otherwise permitted by the Charter and paragraph (a) above, the Series C Preferred Stock shall not be redeemable by the Corporation prior to October 11, 2017. On and after October 11, 2017, the Corporation, at its option, may redeem the shares of Series C Preferred Stock, in whole or in part, as set forth herein, subject to the provisions described below.

(c) On and after October 11, 2017, the Series C Preferred Stock shall be redeemable at the option of the Corporation, in whole or in part, at any time or from time to time, at the Redemption Price. Each date on which Series C Preferred Stock are to be redeemed (a “**Redemption Date**”) shall be selected by the Corporation, shall be specified in the notice of redemption and shall not be less than 30 days or more than 90 days after the date on which the Corporation gives, or causes to be given, notice of redemption by mail pursuant to the next paragraph.

A notice of redemption (which may be contingent on the occurrence of a future event) shall be mailed, postage prepaid, not less than 30 nor more than 90 days prior to the Redemption Date, addressed to the respective holders of record of the Series C Preferred Stock at their respective addresses as they appear on the Corporation's share transfer records. A failure to give such notice or any defect in the notice or in its mailing shall not affect the validity of the proceedings for the redemption of any Series C Preferred Stock except as to the holder to whom notice was defective or not given (unless such a holder elects to tender such holder's shares). Each notice shall state: (i) the Redemption Date; (ii) the Redemption Price; (iii) the number of shares of Series C Preferred Stock to be redeemed and, if fewer than all the shares of Series C Preferred Stock held by such holder are to be redeemed, the number of such shares of Series C Preferred Stock to be redeemed from such holder; (iv) the place or places where the certificates representing the shares of Series C Preferred Stock are to be surrendered for payment of the Redemption Price, if any of such shares are certificated; (v) that distributions on the shares to be redeemed will cease to accrue on such Redemption Date except as otherwise provided herein; and (vi) if such redemption is being made in connection with a Change of Control, that the holders of the shares of Series C Preferred Stock being so called for redemption will not be able to tender such shares of Series C Preferred Stock for conversion in connection with the Change of Control and that each share of Series C Preferred Stock tendered for conversion that is called, prior to the Change of Control Conversion Date (as defined below), for redemption will be redeemed on the related date of redemption instead of converted on the Change of Control Conversion Date. Notwithstanding the foregoing, no notice of redemption will be required where the Corporation elects to redeem Series C Preferred Stock pursuant to Section 5(b) and Article VII of the Charter to preserve its REIT qualification for federal income tax purposes.

(d) If the Redemption Date falls after a Dividend Payment Record Date and prior to the corresponding Dividend Payment Date, then each holder of Series C Preferred Stock at the close of business on such Dividend Payment Record Date shall be entitled to the dividend payable on such Series C Preferred Stock on the corresponding Dividend Payment Date notwithstanding the redemption of such Series C Preferred Stock before such Dividend Payment Date. Except as provided in calculating the Redemption Price and in this Section 5(d), the Corporation shall make no payment or allowance for unpaid dividends, whether or not in arrears, on Series C Preferred Stock called for redemption.

(e) If full cumulative dividends for all past dividend periods on the Series C Preferred Stock and any series or class or classes of Dividend Parity Stock of the Corporation have not been paid or declared and set apart for payment, except as otherwise permitted under the Charter, the Series C Preferred Stock may not be redeemed in part and the Corporation may not purchase, redeem or otherwise acquire Series C Preferred Stock or any capital stock of the Corporation ranking on a parity with the Series C Preferred Stock as to payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up, other than in exchange for Junior Shares.

(f) Notice having been mailed as aforesaid, from and after the Redemption Date (unless the Corporation shall fail to make available the amount of cash necessary to effect such redemption), (i) except as otherwise provided herein, dividends on the shares of Series C Preferred Stock so called for redemption shall cease to accrue, (ii) said shares shall no longer be

deemed to be outstanding, and (iii) all rights of the holders thereof as holders of Series C Preferred Stock of the Corporation shall cease (except the rights to receive the cash payable upon such redemption, without interest thereon, upon surrender and endorsement of their certificates if so required and to receive any dividends payable thereon). The Corporation's obligation to provide cash in accordance with the preceding sentence shall be deemed fulfilled if, on or before the Redemption Date, the Corporation shall deposit with a bank or trust company (which may be an affiliate of the Corporation) that has an office in the Borough of Manhattan, City of New York, or in Baltimore, Maryland and that has, or is an affiliate of a bank or trust company that has, a capital and surplus of at least \$50,000,000, the cash necessary for such redemption, in trust, with irrevocable instructions that such cash be applied to the redemption of the Series C Preferred Stock so called for redemption. No interest shall accrue for the benefit of the holder of Series C Preferred Stock to be redeemed on any cash so set aside by the Corporation. Subject to applicable escheat laws, any such cash unclaimed at the end of two years from the Redemption Date shall revert to the general funds of the Corporation, after which reversion the holders of such shares so called for redemption shall look only to the general funds of the Corporation for the payment of such cash.

As promptly as practicable after the surrender in accordance with said notice of the certificates for any such shares of Series C Preferred Stock so redeemed (properly endorsed or assigned for transfer, if the Corporation shall so require and if the notice shall so state), such shares of Series C Preferred Stock shall be exchanged for the cash (without interest thereon) for which such shares of Series C Preferred Stock have been redeemed. If fewer than all of the outstanding shares of Series C Preferred Stock are to be redeemed, the shares of Series C Preferred Stock to be redeemed shall be selected by the Corporation from the outstanding shares of Series C Preferred Stock not previously called for redemption by lot or pro rata (as nearly as may be) or by any other method determined by the Corporation in its sole discretion to be equitable. If fewer than all the shares of Series C Preferred Stock represented by any certificate are redeemed, then new certificates representing the unredeemed shares of Series C Preferred Stock shall be issued without cost to the holder thereof.

Section 6. Reacquired Shares to Be Retired. All shares of Series C Preferred Stock that have been issued and reacquired in any manner by the Corporation shall be restored to the status of authorized but unissued shares of Preferred Stock, without designation as to series.

Section 7. Conversion Rights. Except as provided in this Section 7, the Series C Preferred Stock are not convertible into or exchangeable for any other property or securities of the Corporation at the option of any holder of Series C Preferred Stock.

(a) Upon the occurrence of a Change of Control, each holder of Series C Preferred Stock shall have the right (unless, prior to the Change of Control Conversion Date, the Corporation has provided notice of its election to redeem some or all of the shares of Series C Preferred Stock held by such holder pursuant to Section 5, in which case such holder will have the right only with respect to shares of Series C Preferred Stock that are not called for redemption) to convert each of the Series C Preferred Stock held by such holder (the "**Change of Control Conversion Right**") on the Change of Control Conversion Date into a number of shares of Class A Common Stock (the "**Common Stock Conversion Consideration**") equal to the

lesser of: (i) the quotient obtained by dividing (x) the sum of the Liquidation Preference per share of Series C Preferred Stock plus the amount of any accrued and unpaid dividends thereon to, but not including, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a Dividend Payment Record Date and prior to the corresponding Dividend Payment Date for the Series C Preferred Stock, in which case no additional amount for such accrued and unpaid dividends shall be included in this sum) by (y) the Common Stock Price (as defined below) (such quotient, the “**Conversion Rate**”); and (ii) 8.4585 (the “**Share Cap**”), subject to adjustments provided in Section 7(b) below.

(b) The Share Cap is subject to pro rata adjustments for any share splits (including those effected pursuant to a distribution of Class A Common Stock to existing holders of Class A Common Stock), subdivisions or combinations (in each case, a “**Share Split**”) with respect to Class A Common Stock as follows: the adjusted Share Cap as the result of a Share Split will be the number of shares of Class A Common Stock that is equivalent to the product obtained by multiplying (i) the Share Cap in effect immediately prior to such Share Split by (ii) a fraction, the numerator of which is the number of shares of Class A Common Stock outstanding immediately after giving effect to such Share Split and the denominator of which is the number of shares of Class A Common Stock outstanding immediately prior to such Share Split. For the avoidance of doubt, subject to the immediately succeeding sentence, the aggregate number of shares of Class A Common Stock (or equivalent Alternative Conversion Consideration (as defined below), as applicable) issuable or deliverable, as applicable, in connection with the exercise of the Change of Control Conversion Right shall not exceed the product of the Share Cap times the aggregate number of shares of the Series C Preferred Stock issued and outstanding at the Change of Control Conversion Date (or equivalent Alternative Conversion Consideration, as applicable) (the “**Exchange Cap**”). The Exchange Cap is subject to pro rata adjustments for any Share Splits on the same basis as the corresponding adjustment to the Share Cap.

(c) The “**Change of Control Conversion Date**” is the date the Series C Preferred Stock is to be converted, which shall be a Business Day selected by the Corporation that is no fewer than 20 days nor more than 35 days after the date on which it provides the notice described in Section 7(h) to the holders of Series C Preferred Stock.

(d) The “**Common Stock Price**” is (i) if the consideration to be received in the Change of Control by the holders of Class A Common Stock is solely cash, the amount of cash consideration per share of Class A Common Stock or (ii) if the consideration to be received in the Change of Control by holders of Class A Common Stock is other than solely cash (x) the average of the closing sale prices per share of Class A Common Stock (or, if no closing sale price is reported, the average of the closing bid and ask prices per share or, if more than one in either case, the average of the average closing bid and the average closing ask prices per share) for the ten consecutive trading days immediately preceding, but not including, the date on which such Change of Control occurred as reported on the principal U.S. securities exchange on which Class A Common Stock is then traded, or (y) the average of the last quoted bid prices for Class A Common Stock in the over-the-counter market as reported by Pink OTC Markets Inc. or similar organization for the ten consecutive trading days immediately preceding, but not including, the date on which such Change of Control occurred, if Class A Common Stock is not then listed for trading on a U.S. securities exchange.

(e) In the case of a Change of Control pursuant to which Class A Common Stock is or will be converted into cash, securities or other property or assets (including any combination thereof) (the “**Alternative Form Consideration**”), a holder of Series C Preferred Stock shall receive upon conversion of such Series C Preferred Stock the kind and amount of Alternative Form Consideration which such holder would have owned or been entitled to receive upon the Change of Control had such holder held a number of shares of Class A Common Stock equal to the Common Stock Conversion Consideration immediately prior to the effective time of the Change of Control (the “**Alternative Conversion Consideration**”; the Common Stock Conversion Consideration or the Alternative Conversion Consideration, whichever shall be applicable to a Change of Control, is referred to as the “**Conversion Consideration**”).

(f) If the holders of Class A Common Stock have the opportunity to elect the form of consideration to be received in the Change of Control, the Conversion Consideration in respect of such Change of Control shall be deemed to be the kind and amount of consideration actually received by holders of a majority of the outstanding shares of Class A Common Stock that made or voted for such an election (if electing between two types of consideration) or holders of a plurality of the outstanding shares of Class A Common Stock that made or voted for such an election (if electing between more than two types of consideration), as the case may be, and shall be subject to any limitations to which all holders of Class A Common Stock are subject, including, without limitation, pro rata reductions applicable to any portion of the consideration payable in such Change of Control.

(g) No fractional shares of Class A Common Stock shall be issued upon the conversion of the Series C Preferred Stock in connection with a Change of Control. Instead, holders shall be entitled to receive the cash value of such fractional shares based upon the Common Stock Price used in determining the Common Stock Conversion Consideration for such Change of Control.

(h) Within 15 days following the occurrence of a Change of Control, provided that the Corporation has not then exercised its right to redeem all shares of Series C Preferred Stock pursuant to Section 5, the Corporation shall provide to holders of Series C Preferred Stock a notice of occurrence of the Change of Control that describes the resulting Change of Control Conversion Right, which notice shall be delivered to the holders of record of the shares of the Series C Preferred Stock in their addresses as they appear on the stock transfer records of the Corporation and shall state: (i) the events constituting the Change of Control; (ii) the date of the Change of Control; (iii) the last date on which the holders of Series C Preferred Stock may exercise their Change of Control Conversion Right; (iv) the method and period for calculating the Common Stock Price;

(v) the Change of Control Conversion Date; (vi) that if, prior to the Change of Control Conversion Date, the Corporation has provided notice of its election to redeem all or any shares of Series C Preferred Stock, holders will not be able to convert the shares of Series C Preferred Stock called for redemption and such shares will be redeemed on the related Redemption Date, even if such shares have already been tendered for conversion pursuant to the Change of Control Conversion Right; (vii) if applicable, the type and amount of Alternative Conversion Consideration entitled to be received per share of Series C Preferred Stock; (viii) the name and address of the paying agent, transfer agent and conversion agent for the Series C Preferred Stock; (ix) the procedures that the holders of Series C Preferred Stock

must follow to exercise the Change of Control Conversion Right (including procedures for surrendering shares for conversion through the facilities of a Depository (as defined below)), including the form of conversion notice to be delivered by such holders as described below; and (x) the last date on which holders of Series C Preferred Stock may withdraw shares surrendered for conversion and the procedures that such holders must follow to effect such a withdrawal.

(i) The Corporation shall also issue a press release containing such notice provided for in Section 7(h) for publication on Dow Jones & Company, Inc., Business Wire, PR Newswire or Bloomberg Business News (or, if these organizations are not in existence at the time of issuance of the press release, such other news or press organization as is reasonably calculated to broadly disseminate the relevant information to the public), and post a notice on its website, in any event prior to the opening of business on the first Business Day following any date on which it provides the notice provided for in Section 7(h) to the holders of Series C Preferred Stock.

(j) To exercise the Change of Control Conversion Right, the holders of Series C Preferred Stock shall be required to deliver, on or before the close of business on the Change of Control Conversion Date, the certificate(s), if any, representing the shares of Series C Preferred Stock to be converted, duly endorsed for transfer (or, in the case of any shares of Series C Preferred Stock held in book-entry form through a Depository, to deliver, on or before the close of business on the Change of Control Conversion Date, the shares of Series C Preferred Stock to be converted through the facilities of such Depository), together with a written conversion notice in the form provided by the Corporation, duly completed, to its transfer agent. The conversion notice must state: (i) the relevant Change of Control Conversion Date; (ii) the number of shares of Series C Preferred Stock to be converted; and (iii) that the Series C Preferred Stock is to be converted pursuant to the applicable provisions of the Series C Preferred Stock.

(k) Holders of Series C Preferred Stock may withdraw any notice of exercise of a Change of Control Conversion Right (in whole or in part) by a written notice of withdrawal delivered to the transfer agent of the Corporation prior to the close of business on the Business Day prior to the Change of Control Conversion Date. The notice of withdrawal delivered by any holder must state: (i) the number of withdrawn shares of Series C Preferred Stock; (ii) if certificated shares of Series C Preferred Stock have been surrendered for conversion, the certificate numbers of the withdrawn shares of Series C Preferred Stock; and (iii) the number of shares of Series C Preferred Stock, if any, which remain subject to the holder's conversion notice.

(l) Notwithstanding anything to the contrary contained in Sections 7(j) and (k), if any shares of Series C Preferred Stock are held in book-entry form through The Depository Trust Company ("DTC") or a similar depository (each, a "**Depository**"), the conversion notice and/or the notice of withdrawal, as applicable, must comply with applicable procedures, if any, of the applicable Depository.

(m) Series C Preferred Stock as to which the Change of Control Conversion Right has been properly exercised and for which the conversion notice has not been properly withdrawn will be converted into the applicable Conversion Consideration in accordance with the Change of Control Conversion Right on the Change of Control Conversion Date, unless prior to the Change of Control Conversion Date the Corporation has provided notice of its election to redeem some or all of the shares of Series C Preferred Stock pursuant to Section 5, in which case only the shares of Series C Preferred Stock properly surrendered for conversion and not properly withdrawn that are not called for redemption will be converted as aforesaid. If the Corporation elects to redeem shares of Series C Preferred Stock that would otherwise be converted into the applicable Conversion Consideration on a Change of Control Conversion Date, such shares of Series C Preferred Stock shall not be so converted and the holders of such shares shall be entitled to receive on the applicable Redemption Date the Redemption Price as provided in Section 5.

(n) The Corporation shall deliver all securities, cash and any other property owing upon conversion no later than the third Business Day following the Change of Control Conversion Date. Notwithstanding the foregoing, the persons entitled to receive any shares of Class A Common Stock or other securities delivered on conversion will be deemed to have become the holders of record thereof as of the Change of Control Conversion Date.

(o) Notwithstanding any other provision of the Series C Preferred Stock, no holder of Series C Preferred Stock shall be entitled to convert such Series C Preferred Stock into shares of Class A Common Stock or the Alternative Conversion Consideration, as the case may be, to the extent that receipt of such Class A Common Stock or the Alternative Conversion Consideration would cause such holder (or any other person) to exceed the applicable share ownership limitations contained in the Charter or this Articles Supplementary or the governing document of the surviving entity, as the case may be, unless the Corporation provides an exemption from this limitation to such holder pursuant to the Charter and this Articles Supplementary or the governing document of the surviving entity.

(p) Notwithstanding anything to the contrary herein and except as otherwise required by law, the persons who are the holders of record of shares of Series C Preferred Stock at the close of business on a Dividend Payment Record Date shall be entitled to receive the dividend payable on the corresponding Dividend Payment Date notwithstanding the conversion of those shares after such Dividend Record Date and on or prior to such Dividend Payment Date and, in such case, the full amount of such dividend shall be paid on such Dividend Payment Date to the persons who were the holders of record at the close of business on such Dividend Record Date. Except as provided in this Section 7(p), the Corporation shall make no allowance for unpaid dividends that are not in arrears on the shares of Series C Preferred Stock to be converted.

Section 8. Permissible Distributions. In determining whether a distribution (other than upon liquidation, dissolution or winding up), whether by dividend, or upon redemption or other acquisition of shares or otherwise, is permitted under Maryland law, amounts that would be needed, if the Corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of holders of shares of any class or series of stock whose preferential rights upon dissolution are superior or prior to those receiving the distribution shall not be added to the Corporation's total liabilities.

Section 9. Ranking. Any class or series of stock of the Corporation shall be deemed to rank:

(a) prior to the Series C Preferred Stock, as to the payment of dividends or as to distribution of assets upon liquidation, dissolution or winding up, if the holders of such class or series shall be entitled to the receipt of dividends or of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in preference or priority to the holders of Series C Preferred Stock;

(b) on a parity with the Series C Preferred Stock, as to the payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up, whether or not the dividend rates, dividend payment dates or redemption or liquidation prices per share thereof be different from those of the Series C Preferred Stock, if the holders of such class or series and the Series C Preferred Stock shall be entitled to the receipt of dividends or of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in proportion to their respective amounts of accrued and unpaid dividends per share or liquidation preferences, without preference or priority one over the other; and

(c) junior to the Series C Preferred Stock, as to the payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up, if such class or series of stock shall be Common Stock or if the holders of Series C Preferred Stock shall be entitled to receipt of dividends or of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in preference or priority to the holders of such class or series, and such class or series shall not in either case rank prior to the Series C Preferred Stock ("**Junior Shares**").

As of the date hereof, 2,900,000 authorized shares of Series A Preferred Stock, 14,900,000 authorized shares of Series B Preferred Stock, 8,050,000 authorized shares of Series D Preferred Stock, 10,350,000 authorized shares of Series E Preferred Stock, 10,400,000 authorized shares of Series F Preferred Stock, 3,450,000 authorized shares of Series G Preferred Stock and 11,500,000 authorized shares of Series H Preferred Stock rank on a parity with the Series C Preferred Stock as to the payment of dividends and as to the distribution of assets upon liquidation, dissolution or winding up.

Section 10. Voting. Except as otherwise set forth herein, the Series C Preferred Stock shall not have any relative, participating, optional or other voting rights or powers, and the consent of the holders thereof shall not be required for the taking of any corporate action.

If and whenever six quarterly dividends (whether or not consecutive) payable on the Series C Preferred Stock shall be in arrears (which shall, with respect to any such quarterly dividend, mean that any such dividend has not been paid in full), whether or not earned or declared, the number of directors then constituting the Board of Directors shall be increased by two and the holders of Series C Preferred Stock, together with the holders of shares of every series or class of Dividend Parity Stock having like voting rights (shares of any such series or class, including the Series A Preferred Stock, the Series B Preferred Stock, the Series D Preferred Stock, the Series E Preferred Stock, the Series F Preferred Stock, the Series G Preferred Stock and the Series H Preferred Stock, the "**Voting Preferred Shares**"), voting as a single class regardless of series, shall be entitled to elect two additional directors (the "**Preferred Directors**") to serve on the Board of Directors at any annual meeting of stockholders or special meeting held in place thereof, or at a special meeting of the holders of Series C Preferred Stock and the Voting Preferred Shares called as hereinafter provided. For the avoidance of doubt, in

the election of both Preferred Directors, any outstanding shares of Series C Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series F Preferred Stock, Series G Preferred Stock, Series H Preferred Stock and other Voting Preferred Shares shall vote together as a class, and the affirmative vote of a plurality of the votes cast by holders of outstanding shares of Series C Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series F Preferred Stock, Series G Preferred Stock, Series H Preferred Stock and other Voting Preferred Shares shall be required to elect a Preferred Director. Whenever all arrears in dividends on the Series C Preferred Stock and the Voting Preferred Shares then outstanding shall have been paid and full dividends thereon for the current quarterly dividend period shall have been paid or declared and set apart for payment, then the right of the holders of the Series C Preferred Stock and the Voting Preferred Shares to elect such two additional directors shall cease (but subject always to the same provision for the vesting of such voting rights in the case of any similar future arrearages in six quarterly dividends), and the terms of office of the persons elected as director, by the holders of the Series C Preferred Stock and the Voting Preferred Shares shall forthwith terminate and the number of directors constituting the Board of Directors shall be reduced accordingly. At any time after such voting power shall have been so vested in the holders of shares of Series C Preferred Stock and the Voting Preferred Shares, the Secretary of the Corporation may, and upon the written request of any holder of Series C Preferred Stock (addressed to the Secretary at the principal office of the Corporation) shall, call a special meeting of the holders of the Series C Preferred Stock and of the Voting Preferred Shares for the election of the directors to be elected by them as herein provided, such call to be made by notice similar to that provided in the Bylaws of the Corporation for a special meeting of the stockholders or as required by law. If any such special meeting required to be called as above provided shall not be called by the Secretary within 20 days after receipt of such request, then any holder of Series C Preferred Stock may call such meeting, upon the notice above provided, and for that purpose shall have access to the stock books of the Corporation. The directors elected at any such special meeting shall hold office until the next annual meeting of the stockholders or special meeting held in lieu thereof, and until their successors are duly elected and qualify, and if such office shall not have previously terminated as above provided. If any vacancy shall occur among the directors elected by the holders of the Series C Preferred Stock and the Voting Preferred Shares, a successor shall be elected by the Board of Directors to serve until the next annual meeting of the stockholders or special meeting held in place thereof, and until their successors are duly elected and qualify, and if such office shall not have previously terminated as provided above. In no event shall the holders of Series C Preferred Stock be entitled pursuant to this Section 10 to elect a director that would cause the Corporation to fail to satisfy a requirement relating to director independence of any national securities exchange on which any class or series of the Corporation's stock is listed.

So long as any shares of Series C Preferred Stock are outstanding, in addition to any other vote or consent of stockholders required by the Charter, the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the holders of Series C Preferred Stock and the Voting Preferred Shares, at the time outstanding, voting as a single class regardless of series, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(a) Any amendment, alteration or repeal of any of the provisions of the Charter or these Articles Supplementary (whether by merger, consolidation or otherwise) that materially and adversely affects the voting powers, rights or preferences of the holders of the Series C Preferred Stock or the Voting Preferred Shares; provided, however, that (i) the amendment of the provisions of the Charter so as to authorize or create or to increase the authorized amount of, any Junior Shares or any shares of any class or series ranking on a parity with the Series C Preferred Stock as to the payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up or the Voting Preferred Shares (including any amendment to increase the amount of authorized shares of Series C Preferred Stock) shall not be deemed to materially adversely affect the voting powers, rights or preferences of the holders of Series C Preferred Stock and (ii) any filing with the State Department of Assessments and Taxation of Maryland by the Corporation including in connection with a merger, consolidation or otherwise, shall not be deemed to be an amendment, alteration or repeal of any of the provisions of the Charter or these Articles Supplementary that materially and adversely affects the voting powers, rights or preferences of the holders of the Series C Preferred Stock, provided that: (1) the Corporation is the surviving entity and the Series C Preferred Stock remain outstanding with the terms thereof materially unchanged in any respect adverse to the holders thereof; or (2) the resulting, surviving or transferee entity is organized under the laws of any state and substitutes or exchanges the Series C Preferred Stock for other preferred stock, shares or other equity interests having preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption thereof that are substantially similar to that of the Series C Preferred Stock (except for changes that do not materially and adversely affect the holders of Series C Preferred Stock); and *provided further*, that if any such amendment, alteration or repeal would materially and adversely affect any voting powers, rights or preferences of the Series C Preferred Stock or one or more but not all series of Voting Preferred Shares at the time outstanding, the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the holders of all series similarly affected, at the time outstanding, voting as a single class regardless of series, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be required in lieu of the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the holders of the Series C Preferred Stock and the Voting Preferred Shares otherwise entitled to vote in accordance herewith; or

(b) The authorization or creation of, or the increase in the authorized amount of, any shares of any class or series or any security convertible into shares of any class or series ranking prior to the Series C Preferred Stock in the distribution on any liquidation, dissolution or winding up of the Corporation or in the payment of dividends; provided, however, that, in the case of each of subparagraphs (a) and (b), no such vote of the holders of Series C Preferred Stock or Voting Preferred Shares, as the case may be, shall be required if, at or prior to the time when such amendment, alteration or repeal is to take effect, or when the issuance of any such prior shares or convertible security is to be made, as the case may be, provision is made for the redemption of all Series C Preferred Stock or Voting Preferred Shares, as the case may be, at the time outstanding in accordance with Section 5 hereof or, in the case of a merger, consolidation or otherwise, regardless of the date of the transaction, the holders of the Series C Preferred Stock receive in the transaction their liquidation preference plus accrued and unpaid dividends.

For purposes of determining the voting rights of the holders of the Series C Preferred Stock under this Section 10, each holder will be entitled to one vote for each Liquidation Preference per share with respect to shares of the Series C Preferred Stock held by such holder. Whether the vote or consent of the holders of a plurality, majority or other portion of the shares of the Series C Preferred Stock and any Voting Preferred Shares has been cast or given on any matter on which the holders of shares of the Series C Preferred Stock are entitled to vote shall be determined by the Corporation by reference to the specified liquidation amounts of the shares voted or covered by the consent.

Section 11. Information Rights. During any period in which the Corporation is not subject to Section 13 or 15(d) of the Securities Exchange Act and any shares of Series C Preferred Stock are outstanding, the Corporation will (i) transmit by mail to all holders of Series C Preferred Stock, as their names and addresses appear in the Corporation's record books and without cost to such holders, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act and (ii) promptly, upon request, supply copies of such reports to any prospective holder of Series C Preferred Stock. The Corporation will mail the information to the holders of Series C Preferred Stock within 15 days after the respective dates by which a periodic report on Form 10-K or Form 10-Q, as the case may be, in respect of such information would have been required to be filed with the Securities and Exchange Commission if the Corporation were subject to Section 13 or 15(d) of the Securities Exchange Act.

Section 12. Record Holders. The Corporation and the Transfer Agent may deem and treat the record holder of any Series C Preferred Stock as the true and lawful owner thereof for all purposes, and neither the Corporation nor the Transfer Agent shall be affected by any notice to the contrary.

Section 13. Restrictions on Ownership and Transfer. The Series C Preferred Stock constitutes Preferred Stock, and Preferred Stock constitutes Capital Stock of the Corporation. Therefore, the Series C Preferred Stock, being Capital Stock, is governed by and issued subject to all the limitations, terms and conditions of the Charter applicable to Capital Stock generally, including but not limited to the terms and conditions (including exceptions and exemptions) of Article VII of the Charter applicable to Capital Stock. The foregoing sentence shall not be construed to limit the applicability to the Series C Preferred Stock of any other term or provision of the Charter.

EXHIBIT D
SERIES D PREFERRED STOCK

Under a power contained in the charter (the “**Charter**”) of Colony NorthStar, Inc., a Maryland corporation (the “**Corporation**”), the Board of Directors of the Corporation, classified and designated 8,050,000 shares (the “**Shares**”) of the Preferred Stock (as defined in the Charter), as shares of 8.500% Series D Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share (the “**Series D Preferred Stock**”), with the following preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption set forth below, which upon any restatement of the Charter, shall be deemed to be part of Article VI of the Charter, with any necessary or appropriate changes to the enumeration or lettering of sections or subsections hereof:

8.500% Series D Cumulative Redeemable Perpetual Preferred Stock

Section 1. Number of Shares and Designation. This series of Preferred Stock shall be designated as 8.500% Series D Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share (the “**Series D Preferred Stock**”), and 8,050,000 shall be the number of shares of Preferred Stock constituting such series.

Section 2. Definitions. For purposes of the Series D Preferred Stock, the following terms shall have the meanings indicated: “**Alternative Conversion Consideration**” shall have the meaning set forth in paragraph (e) of Section 7 hereof. “**Alternative Form Consideration**” shall have the meaning set forth in paragraph (e) of Section 7 hereof.

“**Annual Dividend Rate**” shall have the meaning set forth in paragraph (a) of Section 3 hereof.

“**Board of Directors**” shall mean the Board of Directors of the Corporation or any committee authorized by such Board of Directors to perform any of its responsibilities with respect to the Series D Preferred Stock.

“**Business Day**” shall mean any day other than a Saturday, Sunday or a day on which state or federally chartered banking institutions in New York, New York are not required to be open.

“**Change of Control Conversion Date**” shall have the meaning set forth in paragraph (c) of Section 7 hereof.

“Change of Control Conversion Right” shall have the meaning set forth in paragraph (a) of Section 7 hereof. **“Change of Control”** shall have the meaning set forth in paragraph (a) of Section 5 hereof.

“Charter” shall mean the charter of the Corporation.

“Class A Common Stock” shall mean the Class A Common Stock of the Corporation, par value \$.01 per share.

“Common Stock” shall mean, collectively, the Class A Common Stock, the Class B Common Stock of the Corporation, par value \$.01 per share, and the Performance Common Stock of the Corporation, par value \$.01 per share.

“Common Stock Conversion Consideration” shall have the meaning set forth in paragraph (a) of Section 7 hereof. **“Common Stock Price”** shall have the meaning set forth in paragraph (d) of Section 7 hereof.

“Conversion Consideration” shall have the meaning set forth in paragraph (e) of Section 7 hereof. **“Conversion Rate”**

shall have the meaning set forth in paragraph (a) of Section 7 hereof. **“Depository”** shall have the meaning set forth in paragraph (l) of Section 7 hereof.

“Dividend Parity Stock” shall have the meaning set forth in paragraph (c) of Section 3 hereof.

“Dividend Payment Date” shall mean February 15, May 15, August 15 and November 15, of each year, commencing on or about February 15, 2017; provided, however, that if any Dividend Payment Date falls on any day other than a Business Day, the dividend payment due on such Dividend Payment Date shall instead be paid on the first Business Day immediately following such Dividend Payment Date without any adjustment to the amount of the dividend due on that Dividend Payment Date on account of such delay.

“Dividend Payment Record Date” shall have the meaning set forth in paragraph (a) of Section 3 hereof.

“Dividend Period” shall mean a quarterly dividend period commencing on, and including, a Dividend Payment Date and ending on, but excluding, the next succeeding Dividend Payment Date (other than the initial Dividend Period with respect to each share of Series D Preferred Stock, which, (i) for shares of Series D Preferred Stock issued prior to January 11, 2017, shall commence on, and include, November 15, 2016 and end on, but exclude, the first Dividend Payment Date; and (ii) for shares of Series D Preferred Stock issued on or after January 11, 2017, shall commence on, and include, the Dividend Payment Date with respect to which dividends were actually paid on Series D Preferred Stock that were outstanding immediately preceding the issuance of such Series D Preferred Stock and end on, but exclude, the next succeeding Dividend Payment Date).

“DTC” shall have the meaning set forth in paragraph (l) of Section 7 hereof.

“Exchange Cap” shall have the meaning set forth in paragraph (b) of Section 7 hereof.

“Junior Shares” shall mean the Common Stock and any other class or series of stock of the Corporation constituting junior shares of stock within the meaning set forth in paragraph (c) of Section 9 hereof.

“Liquidation Preference” shall have the meaning set forth in paragraph (a) of Section 4 hereof.

“Person” shall mean any individual, firm, partnership, corporation, limited liability company or other entity, and shall include any successor (by merger or otherwise) of such entity.

“Preferred Directors” shall have the meaning set forth in Section 10 hereof. **“Redemption Date”** shall have

the meaning set forth in paragraph (c) of Section 5 hereof. **“Redemption Price”** shall have the meaning set

forth in paragraph (a) of Section 5 hereof.

“Securities Exchange Act” shall have the meaning set forth in paragraph (a) of Section 5 hereof.

“Series A Preferred Stock” shall mean the 8.75% Series A Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“Series B Preferred Stock” shall mean the 8.25% Series B Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“**Series C Preferred Stock**” shall mean the 8.875% Series C Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“**Series D Preferred Stock**” shall have the meaning set forth in Section 1 hereof.

“**Series E Preferred Stock**” shall mean the 8.75% Series E Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“**Series F Preferred Stock**” shall mean the 8.50% Series F Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“**Series G Preferred Stock**” shall mean the 7.50% Series G Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“**Series H Preferred Stock**” shall mean the 7.125% Series H Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“**Set apart for payment**” shall be deemed to include, without any action other than the following, the recording by the Corporation in its accounting ledgers of any accounting or bookkeeping entry which indicates, pursuant to a declaration of a dividend or other distribution by the Board of Directors, the allocation of funds to be so paid on any series or class of shares of stock of the Corporation.

“**Share Cap**” shall have the meaning set forth in paragraph (a) of Section 7 hereof.

“**Share Split**” shall have the meaning set forth in paragraph (b) of Section 7 hereof.

“**Transfer Agent**” means American Stock Transfer & Trust Company, New York, New York, or such other agent or agents of the Corporation as may be designated by the Board of Directors or its designee as the transfer agent for the Series D Preferred Stock.

“**Voting Preferred Shares**” shall have the meaning set forth in Section 10 hereof. “**Voting Stock**” shall have the meaning set forth in paragraph (a) of Section 5 hereof.

Section 3. Dividends. (a) The holders of Series D Preferred Stock shall be entitled to receive, when, as and if authorized by the Board of Directors and declared by the Corporation out of assets legally available for that purpose, dividends payable in cash at the rate per annum of \$2.125 per share of Series D Preferred Stock (the “**Annual Dividend Rate**”) (equivalent to a rate of 8.500% of the Liquidation Preference per annum). Such dividends with respect to each share of Series D Preferred Stock issued prior to January 11, 2017 shall be

cumulative from, and including, November 15, 2016 and with respect to each share of Series D Preferred Stock issued on or after January 11, 2017 shall be cumulative from, and including, the Dividend Payment Date with respect to which dividends were actually paid on shares of Series D Preferred Stock that were outstanding immediately preceding the issuance of such shares of Series D Preferred Stock, whether or not in any Dividend Period or Periods there shall be assets of the Corporation legally available for the payment of such dividends, and shall be payable quarterly, when, as and if authorized by the Board of Directors and declared by the Corporation, in arrears on Dividend Payment Dates, commencing with respect to each share of Series D Preferred Stock on the first Dividend Payment Date following issuance of such shares of Series D Preferred Stock. Dividends are cumulative from the most recent Dividend Payment Date to which dividends have been paid, whether or not in any Dividend Period or Periods there shall be assets legally available therefor. Each such dividend shall be payable in arrears to the holders of record of the Series D Preferred Stock, as they appear on the share records of the Corporation at the close of business on such record dates, not more than 30 days preceding the applicable Dividend Payment Date (the “**Dividend Payment Record Date**”), as shall be fixed by the Board of Directors. Accrued and unpaid dividends for any past Dividend Periods may be authorized and declared and paid at any time, without reference to any regular Dividend Payment Date, to holders of record on such date, not exceeding 30 days preceding the payment date thereof, as may be fixed by the Board of Directors.

(b) The amount of dividends payable for each full Dividend Period for the Series D Preferred Stock shall be computed by dividing the Annual Dividend Rate by four. The amount of dividends payable for the initial Dividend Period, or any other period shorter or longer than a full Dividend Period, on the Series D Preferred Stock shall be computed on the basis of twelve 30-day months and a 360-day year. Holders of Series D Preferred Stock shall not be entitled to any dividends, whether payable in cash, property or stock, in excess of cumulative dividends, as herein provided, on the Series D Preferred Stock. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on the Series D Preferred Stock that may be in arrears.

(c) So long as any shares of Series D Preferred Stock are outstanding, no dividends, except as described in the immediately following sentence, shall be authorized and declared or paid or set apart for payment on any series or class or classes of capital stock of the Corporation ranking on a parity with the Series D Preferred Stock as to payment of dividends (“**Dividend Parity Stock**”) for any period unless full cumulative dividends have been or contemporaneously are authorized, declared and paid or authorized, declared and a sum sufficient for the payment thereof set apart for such payment on the Series D Preferred Stock for all past Dividend Periods. When dividends are not paid in full or a sum sufficient for such payment is not set apart, as aforesaid, all dividends authorized and declared upon Series D Preferred Stock and all dividends authorized and declared upon any series or class or classes of Dividend Parity Stock shall be authorized and declared ratably in proportion to the respective amounts of dividends accrued and unpaid on the Series D Preferred Stock and such Dividend Parity Stock.

(d) So long as any shares of Series D Preferred Stock are outstanding, no dividends (other than dividends or distributions paid solely in shares of, or options, warrants or rights to subscribe for or purchase shares of, Junior Shares) shall be authorized and declared or paid or set apart for payment or other distribution authorized and declared or made upon Junior Shares, nor shall any Junior Shares be redeemed, purchased or otherwise acquired (other than (i) a redemption, purchase or other acquisition of Common Stock made for purposes of and in compliance with requirements of an employee incentive or benefit plan of the Corporation or any subsidiary, (ii) pursuant to Article VII of the Charter, (iii) as a result of a reclassification of such Junior Shares for or into other Junior Shares, or (iv) the purchase of fractional interests in Junior Shares pursuant to the conversion or exchange provisions of any securities convertible into or exchangeable for such Junior Shares), for any consideration (or any monies to be paid to or made available for a sinking fund for the redemption of any such shares) by the Corporation, directly or indirectly (except by conversion into or exchange for Junior Shares), unless in each case the full cumulative dividends on all outstanding Series D Preferred Stock and any Dividend Parity Stock of the Corporation shall have been paid or set apart for payment for all past Dividend Periods with respect to the Series D Preferred Stock and all past dividend periods with respect to such Dividend Parity Stock.

Section 4. Liquidation Preference. (a) In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, before any payment or distribution of the assets of the Corporation (whether capital or surplus) shall be made to or set apart for the holders of Junior Shares, the holders of Series D Preferred Stock shall be entitled to receive \$25.00 per share of the Series D Preferred Stock (the "**Liquidation Preference**") plus an amount equal to all dividends (whether or not earned or declared) accrued and unpaid thereon to the date of final distribution to such holder; but such holders of Series D Preferred Stock shall not be entitled to any further payment. If, upon any such liquidation, dissolution or winding up of the Corporation, the assets of the Corporation, or proceeds thereof, distributable among the holders of Series D Preferred Stock shall be insufficient to pay in full the preferential amount aforesaid and liquidating payments on any other capital stock of the Corporation ranking on a parity with the Series D Preferred Stock as to such distribution, then such assets, or the proceeds thereof, shall be distributed among the holders of such Series D Preferred Stock and any such other stock ratably in accordance with the respective amounts that would be payable on such Series D Preferred Stock and any such other stock if all amounts payable thereon were paid in full. For the purposes of this Section 4, (i) a consolidation or merger of the Corporation with one or more entities, (ii) a statutory share exchange and (iii) a sale or transfer of all or substantially all of the Corporation's assets shall not be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary, of the Corporation.

(b) Subject to the rights of the holders of shares of any series or class or classes of shares of stock ranking on a parity with or prior to the Series D Preferred Stock upon liquidation, dissolution or winding up, upon any liquidation, dissolution or winding up of the Corporation, after payment shall have been made in full to the holders of the Series D Preferred Stock, as provided in this Section 4, any series or class or classes of Junior Shares shall, subject to any respective terms and provisions applying thereto, be entitled to receive any and all assets remaining to be paid or distributed, and the holders of the Series D Preferred Stock shall not be entitled to share therein.

Section 5. Redemption at the Option of the Corporation.

(a) Notwithstanding anything to the contrary contained in Section 7(a), upon the occurrence of a Change of Control, the Corporation may, at its option, upon not less than 30 nor more than 90 days' written notice, redeem the Series D Preferred Stock, in whole, at any time, or in part, from time to time, within 120 days after the first date on which such Change of Control occurred, for cash at a redemption price of \$25.00 per share, plus any accrued and unpaid dividends thereon (whether or not declared) to, but not including, the date fixed for redemption (the "**Redemption Price**"); provided that, if the Redemption Date is after a Dividend Payment Record Date and prior to the corresponding Dividend Payment Date, no additional amount for such accrued and unpaid dividend will be included in the Redemption Price and the dividend payments on such Dividend Payment Date shall be made pursuant to Section 5(d). If, prior to the Change of Control Conversion Date, the Corporation has provided notice of its election to redeem some or all of the shares of Series D Preferred Stock pursuant to this Section 5, the holders of Series D Preferred Stock will not have the Change of Control Conversion Right (as hereinafter defined) with respect to the shares called for redemption. If the Corporation elects to redeem any shares of Series D Preferred Stock as described in this Section 5(a), it may use any available cash to pay the Redemption Price, and it will not be required to pay the Redemption Price only out of the proceeds from the issuance of other equity securities or any other specific source. A "**Change of Control**" shall be deemed to have occurred at such time as (i) (A) the date a "person", including any syndicate or group deemed to be a person within the meaning of Sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "**Securities Exchange Act**") becomes the ultimate "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act, except that a person or group shall be deemed to have beneficial ownership of all shares of voting stock that such person or group has the right to acquire regardless of when such right is first exercisable), directly or indirectly, of voting stock representing more than 50% of the total voting power of the total voting stock of the Corporation; or (B) the date of the consummation of a merger or share exchange of the Corporation with another entity where the Corporation's stockholders immediately prior to the merger or share exchange would not beneficially own, immediately after the merger or share exchange, shares representing 50% or more of all votes (without consideration of the rights of any class of stock to elect directors by a separate group vote) to which all stockholders of the corporation issuing cash or securities in the merger or share exchange would be entitled in the election of directors, or where members of the Board of Directors immediately prior to the merger or share exchange would not immediately after the merger or share exchange constitute a majority of the board of directors of the corporation issuing cash or securities in the merger or share exchange, and (ii) following the closing of any transaction referred to in clause (i), neither the Corporation nor the acquiring or surviving entity has a class of common equity securities (or American Depositary Receipts representing such securities) listed on the New York Stock Exchange, the NYSE MKT or the NASDAQ Stock Market, or listed or quoted on an exchange or quotation system that is a successor to any such securities exchange. "**Voting Stock**" shall mean stock of any class or kind having the power to vote generally in the election of directors. Any redemption pursuant to this Section 5(a) shall follow generally the procedures set forth in the second paragraph of Section 5(c).

(b) Except as otherwise permitted by the Charter and paragraph (a) above, the Series D Preferred Stock shall not be redeemable by the Corporation prior to April 10, 2018. On and after April 10, 2018, the Corporation, at its option, may redeem the shares of Series D Preferred Stock, in whole or in part, as set forth herein, subject to the provisions described below.

(c) On and after April 10, 2018, the Series D Preferred Stock shall be redeemable at the option of the Corporation, in whole or in part, at any time or from time to time, at the Redemption Price. Each date on which Series D Preferred Stock are to be redeemed (a "**Redemption Date**") shall be selected by the Corporation, shall be specified in the notice of redemption and shall not be less than 30 days or more than 90 days after the date on which the Corporation gives, or causes to be given, notice of redemption by mail pursuant to the next paragraph.

A notice of redemption (which may be contingent on the occurrence of a future event) shall be mailed, postage prepaid, not less than 30 nor more than 90 days prior to the Redemption Date, addressed to the respective holders of record of the Series D Preferred Stock at their respective addresses as they appear on the Corporation's share transfer records. A failure to give such notice or any defect in the notice or in its mailing shall not affect the validity of the proceedings for the redemption of any Series D Preferred Stock except as to the holder to whom notice was defective or not given (unless such a holder elects to tender such holder's shares). Each notice shall state: (i) the Redemption Date; (ii) the Redemption Price; (iii) the number of shares of Series D Preferred Stock to be redeemed and, if fewer than all the shares of Series D Preferred Stock held by such holder are to be redeemed, the number of such shares of Series D Preferred Stock to be redeemed from such holder; (iv) the place or places where the certificates representing the shares of Series D Preferred Stock are to be surrendered for payment of the Redemption Price, if any of such shares are certificated; (v) that distributions on the shares to be redeemed will cease to accrue on such Redemption Date except as otherwise provided herein; and (vi) if such redemption is being made in connection with a Change of Control, that the holders of the shares of Series D Preferred Stock being so called for redemption will not be able to tender such shares of Series D Preferred Stock for conversion in connection with the Change of Control and that each share of Series D Preferred Stock tendered for conversion that is called, prior to the Change of Control Conversion Date (as defined below), for redemption will be redeemed on the related date of redemption instead of converted on the Change of Control Conversion Date. Notwithstanding the foregoing, no notice of redemption will be required where the Corporation elects to redeem Series D Preferred Stock pursuant to Section 5(b) and Article VII of the Charter to preserve its REIT qualification for federal income tax purposes.

(d) If the Redemption Date falls after a Dividend Payment Record Date and prior to the corresponding Dividend Payment Date, then each holder of Series D Preferred Stock at the close of business on such Dividend Payment Record Date shall be entitled to the dividend payable on such Series D Preferred Stock on the corresponding Dividend Payment Date notwithstanding the redemption of such Series D Preferred Stock before such Dividend Payment Date. Except as provided in calculating the Redemption Price and in this Section 5(d), the Corporation shall make no payment or allowance for unpaid dividends, whether or not in arrears, on Series D Preferred Stock called for redemption.

(e) If full cumulative dividends for all past dividend periods on the Series D Preferred Stock and any series or class or classes of Dividend Parity Stock of the Corporation have not been paid or declared and set apart for payment, except as otherwise permitted under the Charter, the Series D Preferred Stock may not be redeemed in part and the Corporation may not purchase, redeem or otherwise acquire Series D Preferred Stock or any capital stock of the Corporation ranking on a parity with the Series D Preferred Stock as to payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up, other than in exchange for Junior Shares.

(f) Notice having been mailed as aforesaid, from and after the Redemption Date (unless the Corporation shall fail to make available the amount of cash necessary to effect such redemption), (i) except as otherwise provided herein, dividends on the shares of Series D Preferred Stock so called for redemption shall cease to accrue, (ii) said shares shall no longer be deemed to be outstanding, and (iii) all rights of the holders thereof as holders of Series D Preferred Stock of the Corporation shall cease (except the rights to receive the cash payable upon such redemption, without interest thereon, upon surrender and endorsement of their certificates if so required and to receive any dividends payable thereon). The Corporation's obligation to provide cash in accordance with the preceding sentence shall be deemed fulfilled if, on or before the Redemption Date, the Corporation shall deposit with a bank or trust company (which may be an affiliate of the Corporation) that has an office in the Borough of Manhattan, City of New York, or in Baltimore, Maryland and that has, or is an affiliate of a bank or trust company that has, a capital and surplus of at least \$50,000,000, the cash necessary for such redemption, in trust, with irrevocable instructions that such cash be applied to the redemption of the Series D Preferred Stock so called for redemption. No interest shall accrue for the benefit of the holder of Series D Preferred Stock to be redeemed on any cash so set aside by the Corporation. Subject to applicable escheat laws, any such cash unclaimed at the end of two years from the Redemption Date shall revert to the general funds of the Corporation, after which reversion the holders of such shares so called for redemption shall look only to the general funds of the Corporation for the payment of such cash.

As promptly as practicable after the surrender in accordance with said notice of the certificates for any such shares of Series D Preferred Stock so redeemed (properly endorsed or assigned for transfer, if the Corporation shall so require and if the notice shall so state), such shares of Series D Preferred Stock shall be exchanged for the cash (without interest thereon) for which such shares of Series D Preferred Stock have been redeemed. If fewer than all of the outstanding shares of Series D Preferred Stock are to be redeemed, the shares of Series D Preferred Stock to be redeemed shall be selected by the Corporation from the outstanding shares

of Series D Preferred Stock not previously called for redemption by lot or pro rata (as nearly as may be) or by any other method determined by the Corporation in its sole discretion to be equitable. If fewer than all the shares of Series D Preferred Stock represented by any certificate are redeemed, then new certificates representing the unredeemed shares of Series D Preferred Stock shall be issued without cost to the holder thereof.

Section 6. Reacquired Shares to Be Retired. All shares of Series D Preferred Stock that have been issued and reacquired in any manner by the Corporation shall be restored to the status of authorized but unissued shares of Preferred Stock, without designation as to series.

Section 7. Conversion Rights. Except as provided in this Section 7, the Series D Preferred Stock are not convertible into or exchangeable for any other property or securities of the Corporation at the option of any holder of Series D Preferred Stock.

(a) Upon the occurrence of a Change of Control, each holder of Series D Preferred Stock shall have the right (unless, prior to the Change of Control Conversion Date, the Corporation has provided notice of its election to redeem some or all of the shares of Series D Preferred Stock held by such holder pursuant to Section 5, in which case such holder will have the right only with respect to shares of Series D Preferred Stock that are not called for redemption) to convert each of the Series D Preferred Stock held by such holder (the “**Change of Control Conversion Right**”) on the Change of Control Conversion Date into a number of shares of Class A Common Stock (the “**Common Stock Conversion Consideration**”) equal to the lesser of: (i) the quotient obtained by dividing (x) the sum of the Liquidation Preference per share of Series D Preferred Stock plus the amount of any accrued and unpaid dividends thereon to, but not including, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a Dividend Payment Record Date and prior to the corresponding Dividend Payment Date for the Series D Preferred Stock, in which case no additional amount for such accrued and unpaid dividends shall be included in this sum) by (y) the Common Stock Price (as defined below) (such quotient, the “**Conversion Rate**”); and (ii) 5.8241 (the “**Share Cap**”), subject to adjustments provided in Section 7(b) below.

(b) The Share Cap is subject to pro rata adjustments for any share splits (including those effected pursuant to a distribution of Class A Common Stock to existing holders of Class A Common Stock), subdivisions or combinations (in each case, a “**Share Split**”) with respect to Class A Common Stock as follows: the adjusted Share Cap as the result of a Share Split will be the number of shares of Class A Common Stock that is equivalent to the product obtained by multiplying (i) the Share Cap in effect immediately prior to such Share Split by (ii) a fraction, the numerator of which is the number of shares of Class A Common Stock outstanding immediately after giving effect to such Share Split and the denominator of which is the number of shares of Class A Common Stock outstanding immediately prior to such Share Split. For the avoidance of doubt, subject to the immediately succeeding sentence, the aggregate number of shares of Class A Common Stock (or equivalent Alternative Conversion Consideration (as defined below), as applicable) issuable or deliverable, as applicable, in connection with the exercise of the Change of Control Conversion Right shall not exceed the product of the Share

Cap times the aggregate number of shares of the Series D Preferred Stock issued and outstanding at the Change of Control Conversion Date (or equivalent Alternative Conversion Consideration, as applicable) (the “**Exchange Cap**”). The Exchange Cap is subject to pro rata adjustments for any Share Splits on the same basis as the corresponding adjustment to the Share Cap.

(c) The “**Change of Control Conversion Date**” is the date the Series D Preferred Stock is to be converted, which shall be a Business Day selected by the Corporation that is no fewer than 20 days nor more than 35 days after the date on which it provides the notice described in Section 7(h) to the holders of Series D Preferred Stock.

(d) The “**Common Stock Price**” is (i) if the consideration to be received in the Change of Control by the holders of Class A Common Stock is solely cash, the amount of cash consideration per share of Class A Common Stock or (ii) if the consideration to be received in the Change of Control by holders of Class A Common Stock is other than solely cash (x) the average of the closing sale prices per share of Class A Common Stock (or, if no closing sale price is reported, the average of the closing bid and ask prices per share or, if more than one in either case, the average of the average closing bid and the average closing ask prices per share) for the ten consecutive trading days immediately preceding, but not including, the date on which such Change of Control occurred as reported on the principal U.S. securities exchange on which Class A Common Stock is then traded, or (y) the average of the last quoted bid prices for Class A Common Stock in the over-the-counter market as reported by Pink OTC Markets Inc. or similar organization for the ten consecutive trading days immediately preceding, but not including, the date on which such Change of Control occurred, if Class A Common Stock is not then listed for trading on a U.S. securities exchange.

(e) In the case of a Change of Control pursuant to which Class A Common Stock is or will be converted into cash, securities or other property or assets (including any combination thereof) (the “**Alternative Form Consideration**”), a holder of Series D Preferred Stock shall receive upon conversion of such Series D Preferred Stock the kind and amount of Alternative Form Consideration which such holder would have owned or been entitled to receive upon the Change of Control had such holder held a number of shares of Class A Common Stock equal to the Common Stock Conversion Consideration immediately prior to the effective time of the Change of Control (the “**Alternative Conversion Consideration**”; the Common Stock Conversion Consideration or the Alternative Conversion Consideration, whichever shall be applicable to a Change of Control, is referred to as the “**Conversion Consideration**”).

(f) If the holders of Class A Common Stock have the opportunity to elect the form of consideration to be received in the Change of Control, the Conversion Consideration in respect of such Change of Control shall be deemed to be the kind and amount of consideration actually received by holders of a majority of the outstanding shares of Class A Common Stock that made or voted for such an election (if electing between two types of consideration) or holders of a plurality of the outstanding shares of Class A Common Stock that made or voted for such an election (if electing between more than two types of consideration), as the case may be, and shall be subject to any limitations to which all holders of Class A Common Stock are subject, including, without limitation, pro rata reductions applicable to any portion of the consideration payable in such Change of Control.

(g) No fractional shares of Class A Common Stock shall be issued upon the conversion of the Series D Preferred Stock in connection with a Change of Control. Instead, holders shall be entitled to receive the cash value of such fractional shares based upon the Common Stock Price used in determining the Common Stock Conversion Consideration for such Change of Control.

(h) Within 15 days following the occurrence of a Change of Control, provided that the Corporation has not then exercised its right to redeem all shares of Series D Preferred Stock pursuant to Section 5, the Corporation shall provide to holders of Series D Preferred Stock a notice of occurrence of the Change of Control that describes the resulting Change of Control Conversion Right, which notice shall be delivered to the holders of record of the shares of the Series D Preferred Stock in their addresses as they appear on the stock transfer records of the Corporation and shall state: (i) the events constituting the Change of Control; (ii) the date of the Change of Control; (iii) the last date on which the holders of Series D Preferred Stock may exercise their Change of Control Conversion Right; (iv) the method and period for calculating the Common Stock Price;

(v) the Change of Control Conversion Date; (vi) that if, prior to the Change of Control Conversion Date, the Corporation has provided notice of its election to redeem all or any shares of Series D Preferred Stock, holders will not be able to convert the shares of Series D Preferred Stock called for redemption and such shares will be redeemed on the related Redemption Date, even if such shares have already been tendered for conversion pursuant to the Change of Control Conversion Right; (vii) if applicable, the type and amount of Alternative Conversion Consideration entitled to be received per share of Series D Preferred Stock; (viii) the name and address of the paying agent, transfer agent and conversion agent for the Series D Preferred Stock; (ix) the procedures that the holders of Series D Preferred Stock must follow to exercise the Change of Control Conversion Right (including procedures for surrendering shares for conversion through the facilities of a Depositary (as defined below)), including the form of conversion notice to be delivered by such holders as described below; and (x) the last date on which holders of Series D Preferred Stock may withdraw shares surrendered for conversion and the procedures that such holders must follow to effect such a withdrawal.

(i) The Corporation shall also issue a press release containing such notice provided for in Section 7(h) for publication on Dow Jones & Company, Inc., Business Wire, PR Newswire or Bloomberg Business News (or, if these organizations are not in existence at the time of issuance of the press release, such other news or press organization as is reasonably calculated to broadly disseminate the relevant information to the public), and post a notice on its website, in any event prior to the opening of business on the first Business Day following any date on which it provides the notice provided for in Section 7(h) to the holders of Series D Preferred Stock.

(j) To exercise the Change of Control Conversion Right, the holders of Series D Preferred Stock shall be required to deliver, on or before the close of business on the Change of Control Conversion Date, the certificate(s), if any, representing the shares of Series D Preferred Stock to be converted, duly endorsed for transfer (or, in the case of any shares of Series D Preferred Stock held in book-entry form through a Depository, to deliver, on or before the close of business on the Change of Control Conversion Date, the shares of Series D Preferred Stock to be converted through the facilities of such Depository), together with a written conversion notice in the form provided by the Corporation, duly completed, to its transfer agent. The conversion notice must state: (i) the relevant Change of Control Conversion Date; (ii) the number of shares of Series D Preferred Stock to be converted; and (iii) that the Series D Preferred Stock is to be converted pursuant to the applicable provisions of the Series D Preferred Stock.

(k) Holders of Series D Preferred Stock may withdraw any notice of exercise of a Change of Control Conversion Right (in whole or in part) by a written notice of withdrawal delivered to the transfer agent of the Corporation prior to the close of business on the Business Day prior to the Change of Control Conversion Date. The notice of withdrawal delivered by any holder must state: (i) the number of withdrawn shares of Series D Preferred Stock; (ii) if certificated shares of Series D Preferred Stock have been surrendered for conversion, the certificate numbers of the withdrawn shares of Series D Preferred Stock; and (iii) the number of shares of Series D Preferred Stock, if any, which remain subject to the holder's conversion notice.

(l) Notwithstanding anything to the contrary contained in Sections 7(j) and (k), if any shares of Series D Preferred Stock are held in book-entry form through The Depository Trust Company ("DTC") or a similar depository (each, a "Depository"), the conversion notice and/or the notice of withdrawal, as applicable, must comply with applicable procedures, if any, of the applicable Depository.

(m) Series D Preferred Stock as to which the Change of Control Conversion Right has been properly exercised and for which the conversion notice has not been properly withdrawn will be converted into the applicable Conversion Consideration in accordance with the Change of Control Conversion Right on the Change of Control Conversion Date, unless prior to the Change of Control Conversion Date the Corporation has provided notice of its election to redeem some or all of the shares of Series D Preferred Stock pursuant to Section 5, in which case only the shares of Series D Preferred Stock properly surrendered for conversion and not properly withdrawn that are not called for redemption will be converted as aforesaid. If the Corporation elects to redeem shares of Series D Preferred Stock that would otherwise be converted into the applicable Conversion Consideration on a Change of Control Conversion Date, such shares of Series D Preferred Stock shall not be so converted and the holders of such shares shall be entitled to receive on the applicable Redemption Date the Redemption Price as provided in Section 5.

(n) The Corporation shall deliver all securities, cash and any other property owing upon conversion no later than the third Business Day following the Change of Control Conversion Date. Notwithstanding the foregoing, the persons entitled to receive any shares of Class A Common Stock or other securities delivered on conversion will be deemed to have become the holders of record thereof as of the Change of Control Conversion Date.

(o) Notwithstanding any other provision of the Series D Preferred Stock, no holder of Series D Preferred Stock shall be entitled to convert such Series D Preferred Stock into shares of Class A Common Stock or the Alternative Conversion Consideration, as the case may be, to the extent that receipt of such Class A Common Stock or the Alternative Conversion Consideration would cause such holder (or any other person) to exceed the applicable share ownership limitations contained in the Charter or this Articles Supplementary or the governing document of the surviving entity, as the case may be, unless the Corporation provides an exemption from this limitation to such holder pursuant to the Charter and this Articles Supplementary or the governing document of the surviving entity.

(p) Notwithstanding anything to the contrary herein and except as otherwise required by law, the persons who are the holders of record of shares of Series D Preferred Stock at the close of business on a Dividend Payment Record Date shall be entitled to receive the dividend payable on the corresponding Dividend Payment Date notwithstanding the conversion of those shares after such Dividend Record Date and on or prior to such Dividend Payment Date and, in such case, the full amount of such dividend shall be paid on such Dividend Payment Date to the persons who were the holders of record at the close of business on such Dividend Record Date. Except as provided in this Section 7(p), the Corporation shall make no allowance for unpaid dividends that are not in arrears on the shares of Series D Preferred Stock to be converted.

Section 8. Permissible Distributions. In determining whether a distribution (other than upon liquidation, dissolution or winding up), whether by dividend, or upon redemption or other acquisition of shares or otherwise, is permitted under Maryland law, amounts that would be needed, if the Corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of holders of shares of any class or series of stock whose preferential rights upon dissolution are superior or prior to those receiving the distribution shall not be added to the Corporation's total liabilities.

Section 9. Ranking. Any class or series of stock of the Corporation shall be deemed to rank:

(a) prior to the Series D Preferred Stock, as to the payment of dividends or as to distribution of assets upon liquidation, dissolution or winding up, if the holders of such class or series shall be entitled to the receipt of dividends or of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in preference or priority to the holders of Series D Preferred Stock;

(b) on a parity with the Series D Preferred Stock, as to the payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up, whether or not the dividend rates, dividend payment dates or redemption or liquidation prices per share thereof be different from those of the Series D Preferred Stock, if the holders of such class or series and the Series D Preferred Stock shall be entitled to the receipt of dividends or of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in proportion to their respective amounts of accrued and unpaid dividends per share or liquidation preferences, without preference or priority one over the other; and

(c) junior to the Series D Preferred Stock, as to the payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up, if such class or series of stock shall be Common Stock or if the holders of Series D Preferred Stock shall be entitled to receipt of dividends or of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in preference or priority to the holders of such class or series, and such class or series shall not in either case rank prior to the Series D Preferred Stock (“**Junior Shares**”).

As of the date hereof, 2,900,000 authorized shares of Series A Preferred Stock, 14,900,000 authorized shares of Series B Preferred Stock, 5,750,000 authorized shares of Series C Preferred Stock, 10,350,000 authorized shares of Series E Preferred Stock, 10,400,000 authorized shares of Series F Preferred Stock, 3,450,000 authorized shares of Series G Preferred Stock and 11,500,000 authorized shares of Series H Preferred Stock rank on a parity with the Series D Preferred Stock as to the payment of dividends and as to the distribution of assets upon liquidation, dissolution or winding up.

Section 10. Voting. Except as otherwise set forth herein, the Series D Preferred Stock shall not have any relative, participating, optional or other voting rights or powers, and the consent of the holders thereof shall not be required for the taking of any corporate action.

If and whenever six quarterly dividends (whether or not consecutive) payable on the Series D Preferred Stock shall be in arrears (which shall, with respect to any such quarterly dividend, mean that any such dividend has not been paid in full), whether or not earned or declared, the number of directors then constituting the Board of Directors shall be increased by two and the holders of Series D Preferred Stock, together with the holders of shares of every series or class of Dividend Parity Stock having like voting rights (shares of any such series or class, including the Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock, the Series E Preferred Stock, the Series F Preferred Stock, the Series G Preferred Stock and the Series H Preferred Stock, the “**Voting Preferred Shares**”), voting as a single class regardless of series, shall be entitled to elect two additional directors (the “**Preferred Directors**”) to serve on the Board of Directors at any annual meeting of stockholders or special meeting held in place thereof, or at a special meeting of the holders of Series D Preferred Stock and the Voting Preferred Shares called as hereinafter provided. For the avoidance of doubt, in the election of both Preferred Directors, any outstanding shares of Series D Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series E Preferred Stock, Series F Preferred Stock, Series G Preferred Stock, Series H Preferred Stock and other Voting Preferred Shares shall vote together as a class, and the affirmative vote of a plurality of the votes cast by holders of outstanding shares of Series D Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series E Preferred Stock, Series F Preferred Stock, Series G Preferred Stock, Series H Preferred Stock and other Voting Preferred Shares shall be required to elect a Preferred Director. Whenever all arrears in dividends on the

Series D Preferred Stock and the Voting Preferred Shares then outstanding shall have been paid and full dividends thereon for the current quarterly dividend period shall have been paid or declared and set apart for payment, then the right of the holders of the Series D Preferred Stock and the Voting Preferred Shares to elect such two additional directors shall cease (but subject always to the same provision for the vesting of such voting rights in the case of any similar future arrearages in six quarterly dividends), and the terms of office of the persons elected as director, by the holders of the Series D Preferred Stock and the Voting Preferred Shares shall forthwith terminate and the number of directors constituting the Board of Directors shall be reduced accordingly. At any time after such voting power shall have been so vested in the holders of shares of Series D Preferred Stock and the Voting Preferred Shares, the Secretary of the Corporation may, and upon the written request of any holder of Series D Preferred Stock (addressed to the Secretary at the principal office of the Corporation) shall, call a special meeting of the holders of the Series D Preferred Stock and of the Voting Preferred Shares for the election of the directors to be elected by them as herein provided, such call to be made by notice similar to that provided in the Bylaws of the Corporation for a special meeting of the stockholders or as required by law. If any such special meeting required to be called as above provided shall not be called by the Secretary within 20 days after receipt of such request, then any holder of Series D Preferred Stock may call such meeting, upon the notice above provided, and for that purpose shall have access to the stock books of the Corporation. The directors elected at any such special meeting shall hold office until the next annual meeting of the stockholders or special meeting held in lieu thereof, and until their successors are duly elected and qualify, and if such office shall not have previously terminated as above provided. If any vacancy shall occur among the directors elected by the holders of the Series D Preferred Stock and the Voting Preferred Shares, a successor shall be elected by the Board of Directors to serve until the next annual meeting of the stockholders or special meeting held in place thereof, and until their successors are duly elected and qualify, and if such office shall not have previously terminated as provided above. In no event shall the holders of Series D Preferred Stock be entitled pursuant to this Section 10 to elect a director that would cause the Corporation to fail to satisfy a requirement relating to director independence of any national securities exchange on which any class or series of the Corporation's stock is listed.

So long as any shares of Series D Preferred Stock are outstanding, in addition to any other vote or consent of stockholders required by the Charter, the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the holders of Series D Preferred Stock and the Voting Preferred Shares, at the time outstanding, voting as a single class regardless of series, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(a) Any amendment, alteration or repeal of any of the provisions of the Charter or these Articles Supplementary (whether by merger, consolidation or otherwise) that materially and adversely affects the voting powers, rights or preferences of the holders of the Series D Preferred Stock or the Voting Preferred Shares; provided, however, that (i) the amendment of the provisions of the Charter so as to authorize or create or to increase the authorized amount of, any Junior Shares or any shares of any class or series ranking on a parity

with the Series D Preferred Stock as to the payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up or the Voting Preferred Shares (including any amendment to increase the amount of authorized shares of Series D Preferred Stock) shall not be deemed to materially adversely affect the voting powers, rights or preferences of the holders of Series D Preferred Stock and (ii) any filing with the State Department of Assessments and Taxation of Maryland by the Corporation including in connection with a merger, consolidation or otherwise, shall not be deemed to be an amendment, alteration or repeal of any of the provisions of the Charter or these Articles Supplementary that materially and adversely affects the voting powers, rights or preferences of the holders of the Series D Preferred Stock, provided that: (1) the Corporation is the surviving entity and the Series D Preferred Stock remain outstanding with the terms thereof materially unchanged in any respect adverse to the holders thereof; or (2) the resulting, surviving or transferee entity is organized under the laws of any state and substitutes or exchanges the Series D Preferred Stock for other preferred stock, shares or other equity interests having preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption thereof that are substantially similar to that of the Series D Preferred Stock (except for changes that do not materially and adversely affect the holders of Series D Preferred Stock); and *provided further*, that if any such amendment, alteration or repeal would materially and adversely affect any voting powers, rights or preferences of the Series D Preferred Stock or one or more but not all series of Voting Preferred Shares at the time outstanding, the affirmative vote of at least

66-2/3% of the votes entitled to be cast by the holders of all series similarly affected, at the time outstanding, voting as a single class regardless of series, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be required in lieu of the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the holders of the Series D Preferred Stock and the Voting Preferred Shares otherwise entitled to vote in accordance herewith; or

(b) The authorization or creation of, or the increase in the authorized amount of, any shares of any class or series or any security convertible into shares of any class or series ranking prior to the Series D Preferred Stock in the distribution on any liquidation, dissolution or winding up of the Corporation or in the payment of dividends; provided, however, that, in the case of each of subparagraphs (a) and (b), no such vote of the holders of Series D Preferred Stock or Voting Preferred Shares, as the case may be, shall be required if, at or prior to the time when such amendment, alteration or repeal is to take effect, or when the issuance of any such prior shares or convertible security is to be made, as the case may be, provision is made for the redemption of all Series D Preferred Stock or Voting Preferred Shares, as the case may be, at the time outstanding in accordance with Section 5 hereof or, in the case of a merger, consolidation or otherwise, regardless of the date of the transaction, the holders of the Series D Preferred Stock receive in the transaction their liquidation preference plus accrued and unpaid dividends.

For purposes of determining the voting rights of the holders of the Series D Preferred Stock under this Section 10, each holder will be entitled to one vote for each Liquidation Preference per share with respect to shares of the Series D Preferred Stock held by such holder. Whether the vote or consent of the holders of a plurality, majority or other portion

of the shares of the Series D Preferred Stock and any Voting Preferred Shares has been cast or given on any matter on which the holders of shares of the Series D Preferred Stock are entitled to vote shall be determined by the Corporation by reference to the specified liquidation amounts of the shares voted or covered by the consent.

Section 11. Information Rights. During any period in which the Corporation is not subject to Section 13 or 15(d) of the Securities Exchange Act and any shares of Series D Preferred Stock are outstanding, the Corporation will (i) transmit by mail to all holders of Series D Preferred Stock, as their names and addresses appear in the Corporation's record books and without cost to such holders, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act and (ii) promptly, upon request, supply copies of such reports to any prospective holder of Series D Preferred Stock. The Corporation will mail the information to the holders of Series D Preferred Stock within 15 days after the respective dates by which a periodic report on Form 10-K or Form 10-Q, as the case may be, in respect of such information would have been required to be filed with the Securities and Exchange Commission if the Corporation were subject to Section 13 or 15(d) of the Securities Exchange Act.

Section 12. Record Holders. The Corporation and the Transfer Agent may deem and treat the record holder of any Series D Preferred Stock as the true and lawful owner thereof for all purposes, and neither the Corporation nor the Transfer Agent shall be affected by any notice to the contrary.

Section 13. Restrictions on Ownership and Transfer. The Series D Preferred Stock constitutes Preferred Stock, and Preferred Stock constitutes Capital Stock of the Corporation. Therefore, the Series D Preferred Stock, being Capital Stock, is governed by and issued subject to all the limitations, terms and conditions of the Charter applicable to Capital Stock generally, including but not limited to the terms and conditions (including exceptions and exemptions) of Article VII of the Charter applicable to Capital Stock. The foregoing sentence shall not be construed to limit the applicability to the Series D Preferred Stock of any other term or provision of the Charter.

EXHIBIT E
SERIES E PREFERRED STOCK

Under a power contained in the charter (the “**Charter**”) of Colony NorthStar, Inc., a Maryland corporation (the “**Corporation**”), the Board of Directors of the Corporation, classified and designated 10,350,000 shares (the “**Shares**”) of the Preferred Stock (as defined in the Charter), as shares of 8.75% Series E Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share (the “**Series E Preferred Stock**”), with the following preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption set forth below, which upon any restatement of the Charter, shall be deemed to be part of Article VI of the Charter, with any necessary or appropriate changes to the enumeration or lettering of sections or subsections hereof:

8.75% Series E Cumulative Redeemable Perpetual Preferred Stock

Section 1. Number of Shares and Designation. This series of Preferred Stock shall be designated as 8.75% Series E Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share (the “**Series E Preferred Stock**”), and 10,350,000 shall be the number of shares of Preferred Stock constituting such series.

Section 2. Definitions. For purposes of the Series E Preferred Stock, the following terms shall have the meanings indicated: “**Alternative Conversion Consideration**” shall have the meaning set forth in paragraph (e) of Section 7 hereof. “**Alternative Form Consideration**” shall have the meaning set forth in paragraph (e) of Section 7 hereof.

“**Annual Dividend Rate**” shall have the meaning set forth in paragraph (a) of Section 3 hereof.

“**Board of Directors**” shall mean the Board of Directors of the Corporation or any committee authorized by such Board of Directors to perform any of its responsibilities with respect to the Series E Preferred Stock.

“**Business Day**” shall mean any day other than a Saturday, Sunday or a day on which state or federally chartered banking institutions in New York, New York are not required to be open.

“**Change of Control Conversion Date**” shall have the meaning set forth in paragraph (c) of Section 7 hereof. “**Change of Control Conversion Right**” shall have the meaning set forth in paragraph (a) of Section 7 hereof.

“Change of Control” shall have the meaning set forth in paragraph (a) of Section 5 hereof. **“Charter”** shall mean the charter of the Corporation.

“Class A Common Stock” shall mean the Class A Common Stock of the Corporation, par value \$.01 per share.

“Common Stock” shall mean, collectively, the Class A Common Stock, the Class B Common Stock of the Corporation, par value \$.01 per share, and the Performance Common Stock of the Corporation, par value \$.01 per share.

“Common Stock Conversion Consideration” shall have the meaning set forth in paragraph (a) of Section 7 hereof. **“Common Stock Price”** shall have the meaning set forth in paragraph (d) of Section 7 hereof.

“Conversion Consideration” shall have the meaning set forth in paragraph (e) of Section 7 hereof. **“Conversion Rate”** shall have the meaning set forth in paragraph (a) of Section 7 hereof. **“Depository”** shall have the meaning set forth in paragraph (l) of Section 7 hereof.

“Dividend Parity Stock” shall have the meaning set forth in paragraph (c) of Section 3 hereof.

“Dividend Payment Date” shall mean February 15, May 15, August 15 and November 15, of each year, commencing on or about February 15, 2017; provided, however, that if any Dividend Payment Date falls on any day other than a Business Day, the dividend payment due on such Dividend Payment Date shall instead be paid on the first Business Day immediately following such Dividend Payment Date without any adjustment to the amount of the dividend due on that Dividend Payment Date on account of such delay.

“Dividend Payment Record Date” shall have the meaning set forth in paragraph (a) of Section 3 hereof.

“Dividend Period” shall mean a quarterly dividend period commencing on, and including, a Dividend Payment Date and ending on, but excluding, the next succeeding Dividend Payment Date (other than the initial Dividend Period with respect to each share of Series E Preferred Stock, which, (i) for shares of Series E Preferred Stock issued prior to January 11, 2017, shall commence on, and include, November 15, 2016 and end on, but exclude, the first Dividend Payment Date; and (ii) for shares of Series E Preferred

Stock issued on or after January 11, 2017, shall commence on, and include, the Dividend Payment Date with respect to which dividends were actually paid on Series E Preferred Stock that were outstanding immediately preceding the issuance of such Series E Preferred Stock and end on, but exclude, the next succeeding Dividend Payment Date).

“**DTC**” shall have the meaning set forth in paragraph (l) of Section 7 hereof.

“**Exchange Cap**” shall have the meaning set forth in paragraph (b) of Section 7 hereof.

“**Junior Shares**” shall mean the Common Stock and any other class or series of stock of the Corporation constituting junior shares of stock within the meaning set forth in paragraph (c) of Section 9 hereof.

“**Liquidation Preference**” shall have the meaning set forth in paragraph (a) of Section 4 hereof.

“**Person**” shall mean any individual, firm, partnership, corporation, limited liability company or other entity, and shall include any successor (by merger or otherwise) of such entity.

“**Preferred Directors**” shall have the meaning set forth in Section 10 hereof. “**Redemption Date**” shall have the meaning set forth in paragraph (c) of Section 5 hereof. “**Redemption Price**” shall have the meaning set forth in paragraph (a) of Section 5 hereof.

“**Securities Exchange Act**” shall have the meaning set forth in paragraph (a) of Section 5 hereof.

“**Series A Preferred Stock**” shall mean the 8.75% Series A Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“**Series B Preferred Stock**” shall mean the 8.25% Series B Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“**Series C Preferred Stock**” shall mean the 8.875% Series C Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“**Series D Preferred Stock**” shall mean the 8.500% Series D Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“**Series E Preferred Stock**” shall have the meaning set forth in Section 1 hereof.

“**Series F Preferred Stock**” shall mean the 8.50% Series F Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“**Series G Preferred Stock**” shall mean the 7.50% Series G Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“**Series H Preferred Stock**” shall mean the 7.125% Series H Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share.

“**Set apart for payment**” shall be deemed to include, without any action other than the following, the recording by the Corporation in its accounting ledgers of any accounting or bookkeeping entry which indicates, pursuant to a declaration of a dividend or other distribution by the Board of Directors, the allocation of funds to be so paid on any series or class of shares of stock of the Corporation.

“**Share Cap**” shall have the meaning set forth in paragraph (a) of Section 7 hereof.

“**Share Split**” shall have the meaning set forth in paragraph (b) of Section 7 hereof.

“**Transfer Agent**” means American Stock Transfer & Trust Company, New York, New York, or such other agent or agents of the Corporation as may be designated by the Board of Directors or its designee as the transfer agent for the Series E Preferred Stock.

“**Voting Preferred Shares**” shall have the meaning set forth in Section 10 hereof. “**Voting Stock**” shall have the meaning set forth in paragraph (a) of Section 5 hereof.

Section 3. Dividends. (a) The holders of Series E Preferred Stock shall be entitled to receive, when, as and if authorized by the Board of Directors and declared by the Corporation out of assets legally available for that purpose, dividends payable in cash at the rate per annum of \$2.1875 per share of Series E Preferred Stock (the “**Annual Dividend Rate**”) (equivalent to a rate of 8.75% of the Liquidation Preference per annum). Such dividends with respect to each share of Series E Preferred Stock issued prior to January 11, 2017 shall be cumulative from, and including, November 15, 2016 and with respect to each share of Series E Preferred Stock issued on or after January 11, 2017 shall be cumulative from, and including, the Dividend Payment Date with respect to which dividends were actually paid on shares of Series E Preferred Stock that were outstanding immediately preceding the issuance of such shares of Series E Preferred Stock, whether or not in any Dividend Period or Periods there shall be assets of the Corporation legally available for the payment of such dividends, and shall be payable quarterly, when, as and if authorized by the Board of Directors and declared by the Corporation, in arrears on Dividend Payment Dates, commencing with respect to each share of Series E Preferred Stock on the first Dividend Payment Date following issuance of such shares of Series E Preferred Stock. Dividends are cumulative from the most recent Dividend Payment Date to which dividends have been paid, whether or not in any Dividend Period or Periods there shall be assets legally available therefor. Each such dividend shall be payable in arrears to the holders of

record of the Series E Preferred Stock, as they appear on the share records of the Corporation at the close of business on such record dates, not more than 30 days preceding the applicable Dividend Payment Date (the “**Dividend Payment Record Date**”), as shall be fixed by the Board of Directors. Accrued and unpaid dividends for any past Dividend Periods may be authorized and declared and paid at any time, without reference to any regular Dividend Payment Date, to holders of record on such date, not exceeding 30 days preceding the payment date thereof, as may be fixed by the Board of Directors.

(b) The amount of dividends payable for each full Dividend Period for the Series E Preferred Stock shall be computed by dividing the Annual Dividend Rate by four. The amount of dividends payable for the initial Dividend Period, or any other period shorter or longer than a full Dividend Period, on the Series E Preferred Stock shall be computed on the basis of twelve 30-day months and a 360-day year. Holders of Series E Preferred Stock shall not be entitled to any dividends, whether payable in cash, property or stock, in excess of cumulative dividends, as herein provided, on the Series E Preferred Stock. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on the Series E Preferred Stock that may be in arrears.

(c) So long as any shares of Series E Preferred Stock are outstanding, no dividends, except as described in the immediately following sentence, shall be authorized and declared or paid or set apart for payment on any series or class or classes of capital stock of the Corporation ranking on a parity with the Series E Preferred Stock as to payment of dividends (“**Dividend Parity Stock**”) for any period unless full cumulative dividends have been or contemporaneously are authorized, declared and paid or authorized, declared and a sum sufficient for the payment thereof set apart for such payment on the Series E Preferred Stock for all past Dividend Periods. When dividends are not paid in full or a sum sufficient for such payment is not set apart, as aforesaid, all dividends authorized and declared upon Series E Preferred Stock and all dividends authorized and declared upon any series or class or classes of Dividend Parity Stock shall be authorized and declared ratably in proportion to the respective amounts of dividends accrued and unpaid on the Series E Preferred Stock and such Dividend Parity Stock.

(d) So long as any shares of Series E Preferred Stock are outstanding, no dividends (other than dividends or distributions paid solely in shares of, or options, warrants or rights to subscribe for or purchase shares of, Junior Shares) shall be authorized and declared or paid or set apart for payment or other distribution authorized and declared or made upon Junior Shares, nor shall any Junior Shares be redeemed, purchased or otherwise acquired (other than (i) a redemption, purchase or other acquisition of Common Stock made for purposes of and in compliance with requirements of an employee incentive or benefit plan of the Corporation or any subsidiary, (ii) pursuant to Article VII of the Charter, (iii) as a result of a reclassification of such Junior Shares for or into other Junior Shares, or (iv) the purchase of fractional interests in Junior Shares pursuant to the conversion or exchange provisions of any securities convertible into or exchangeable for such Junior Shares), for any consideration (or any monies to be paid to or made available for a sinking fund for the redemption of any such shares) by the Corporation, directly or indirectly (except by conversion into or exchange for Junior Shares), unless in each case the full cumulative dividends on all outstanding Series E Preferred Stock and any Dividend Parity Stock of the Corporation shall have been paid or set apart for payment for all past Dividend Periods with respect to the Series E Preferred Stock and all past dividend periods with respect to such Dividend Parity Stock.

Section 4. Liquidation Preference. (a) In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, before any payment or distribution of the assets of the Corporation (whether capital or surplus) shall be made to or set apart for the holders of Junior Shares, the holders of Series E Preferred Stock shall be entitled to receive \$25.00 per share of the Series E Preferred Stock (the "**Liquidation Preference**") plus an amount equal to all dividends (whether or not earned or declared) accrued and unpaid thereon to the date of final distribution to such holder; but such holders of Series E Preferred Stock shall not be entitled to any further payment. If, upon any such liquidation, dissolution or winding up of the Corporation, the assets of the Corporation, or proceeds thereof, distributable among the holders of Series E Preferred Stock shall be insufficient to pay in full the preferential amount aforesaid and liquidating payments on any other capital stock of the Corporation ranking on a parity with the Series E Preferred Stock as to such distribution, then such assets, or the proceeds thereof, shall be distributed among the holders of such Series E Preferred Stock and any such other stock ratably in accordance with the respective amounts that would be payable on such Series E Preferred Stock and any such other stock if all amounts payable thereon were paid in full. For the purposes of this Section 4, (i) a consolidation or merger of the Corporation with one or more entities, (ii) a statutory share exchange and (iii) a sale or transfer of all or substantially all of the Corporation's assets shall not be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary, of the Corporation.

(b) Subject to the rights of the holders of shares of any series or class or classes of shares of stock ranking on a parity with or prior to the Series E Preferred Stock upon liquidation, dissolution or winding up, upon any liquidation, dissolution or winding up of the Corporation, after payment shall have been made in full to the holders of the Series E Preferred Stock, as provided in this Section 4, any series or class or classes of Junior Shares shall, subject to any respective terms and provisions applying thereto, be entitled to receive any and all assets remaining to be paid or distributed, and the holders of the Series E Preferred Stock shall not be entitled to share therein.

Section 5. Redemption at the Option of the Corporation.

(a) Notwithstanding anything to the contrary contained in Section 7(a), upon the occurrence of a Change of Control, the Corporation may, at its option, upon not less than 30 nor more than 90 days' written notice, redeem the Series E Preferred Stock, in whole, at any time, or in part, from time to time, within 120 days after the first date on which such Change of Control occurred, for cash at a redemption price of \$25.00 per share, plus any accrued and unpaid dividends thereon (whether or not declared) to, but not including, the date fixed for redemption (the "**Redemption Price**"); provided that, if the Redemption Date is after a Dividend Payment Record Date and prior to the corresponding Dividend Payment Date, no additional amount for such accrued and unpaid dividend will be included in the Redemption Price and the dividend payments on such Dividend Payment Date shall be made pursuant to Section 5(d). If, prior to the Change of Control Conversion Date, the Corporation has provided notice of its

election to redeem some or all of the shares of Series E Preferred Stock pursuant to this Section 5, the holders of Series E Preferred Stock will not have the Change of Control Conversion Right (as hereinafter defined) with respect to the shares called for redemption. If the Corporation elects to redeem any shares of Series E Preferred Stock as described in this Section 5(a), it may use any available cash to pay the Redemption Price, and it will not be required to pay the Redemption Price only out of the proceeds from the issuance of other equity securities or any other specific source. A “**Change of Control**” shall be deemed to have occurred at such time as (i) (A) the date a “person”, including any syndicate or group deemed to be a person within the meaning of Sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “**Securities Exchange Act**”) becomes the ultimate “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act, except that a person or group shall be deemed to have beneficial ownership of all shares of voting stock that such person or group has the right to acquire regardless of when such right is first exercisable), directly or indirectly, of voting stock representing more than 50% of the total voting power of the total voting stock of the Corporation; or (B) the date of the consummation of a merger or share exchange of the Corporation with another entity where the Corporation’s stockholders immediately prior to the merger or share exchange would not beneficially own, immediately after the merger or share exchange, shares representing 50% or more of all votes (without consideration of the rights of any class of stock to elect directors by a separate group vote) to which all stockholders of the corporation issuing cash or securities in the merger or share exchange would be entitled in the election of directors, or where members of the Board of Directors immediately prior to the merger or share exchange would not immediately after the merger or share exchange constitute a majority of the board of directors of the corporation issuing cash or securities in the merger or share exchange, and (ii) following the closing of any transaction referred to in clause (i), neither the Corporation nor the acquiring or surviving entity has a class of common equity securities (or American Depositary Receipts representing such securities) listed on the New York Stock Exchange, the NYSE MKT or the NASDAQ Stock Market, or listed or quoted on an exchange or quotation system that is a successor to any such securities exchange. “**Voting Stock**” shall mean stock of any class or kind having the power to vote generally in the election of directors. Any redemption pursuant to this Section 5(a) shall follow generally the procedures set forth in the second paragraph of Section 5(c).

(b) Except as otherwise permitted by the Charter and paragraph (a) above, the Series E Preferred Stock shall not be redeemable by the Corporation prior to May 15, 2019. On and after May 15, 2019, the Corporation, at its option, may redeem the shares of Series E Preferred Stock, in whole or in part, as set forth herein, subject to the provisions described below.

(c) On and after May 15, 2019, the Series E Preferred Stock shall be redeemable at the option of the Corporation, in whole or in part, at any time or from time to time, at the Redemption Price. Each date on which Series E Preferred Stock are to be redeemed (a “**Redemption Date**”) shall be selected by the Corporation, shall be specified in the notice of redemption and shall not be less than 30 days or more than 90 days after the date on which the Corporation gives, or causes to be given, notice of redemption by mail pursuant to the next paragraph.

A notice of redemption (which may be contingent on the occurrence of a future event) shall be mailed, postage prepaid, not less than 30 nor more than 90 days prior to the Redemption Date, addressed to the respective holders of record of the Series E Preferred Stock at their respective addresses as they appear on the Corporation's share transfer records. A failure to give such notice or any defect in the notice or in its mailing shall not affect the validity of the proceedings for the redemption of any Series E Preferred Stock except as to the holder to whom notice was defective or not given (unless such a holder elects to tender such holder's shares). Each notice shall state: (i) the Redemption Date; (ii) the Redemption Price; (iii) the number of shares of Series E Preferred Stock to be redeemed and, if fewer than all the shares of Series E Preferred Stock held by such holder are to be redeemed, the number of such shares of Series E Preferred Stock to be redeemed from such holder; (iv) the place or places where the certificates representing the shares of Series E Preferred Stock are to be surrendered for payment of the Redemption Price, if any of such shares are certificated; (v) that distributions on the shares to be redeemed will cease to accrue on such Redemption Date except as otherwise provided herein; and (vi) if such redemption is being made in connection with a Change of Control, that the holders of the shares of Series E Preferred Stock being so called for redemption will not be able to tender such shares of Series E Preferred Stock for conversion in connection with the Change of Control and that each share of Series E Preferred Stock tendered for conversion that is called, prior to the Change of Control Conversion Date (as defined below), for redemption will be redeemed on the related date of redemption instead of converted on the Change of Control Conversion Date. Notwithstanding the foregoing, no notice of redemption will be required where the Corporation elects to redeem Series E Preferred Stock pursuant to Section 5(b) and Article VII of the Charter to preserve its REIT qualification for federal income tax purposes.

(d) If the Redemption Date falls after a Dividend Payment Record Date and prior to the corresponding Dividend Payment Date, then each holder of Series E Preferred Stock at the close of business on such Dividend Payment Record Date shall be entitled to the dividend payable on such Series E Preferred Stock on the corresponding Dividend Payment Date notwithstanding the redemption of such Series E Preferred Stock before such Dividend Payment Date. Except as provided in calculating the Redemption Price and in this Section 5(d), the Corporation shall make no payment or allowance for unpaid dividends, whether or not in arrears, on Series E Preferred Stock called for redemption.

(e) If full cumulative dividends for all past dividend periods on the Series E Preferred Stock and any series or class or classes of Dividend Parity Stock have not been paid or declared and set apart for payment, except as otherwise permitted under the Charter, the Series E Preferred Stock may not be redeemed in part and the Corporation may not purchase, redeem or otherwise acquire Series E Preferred Stock or any capital stock of the Corporation ranking on a parity with the Series E Preferred Stock as to payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up, other than in exchange for Junior Shares.

(f) Notice having been mailed as aforesaid, from and after the Redemption Date (unless the Corporation shall fail to make available the amount of cash necessary to effect such redemption), (i) except as otherwise provided herein, dividends on the shares of Series E Preferred Stock so called for redemption shall cease to accrue, (ii) said shares shall no longer be deemed to be outstanding, and (iii) all rights of the holders thereof as holders of Series E

Preferred Stock of the Corporation shall cease (except the rights to receive the cash payable upon such redemption, without interest thereon, upon surrender and endorsement of their certificates if so required and to receive any dividends payable thereon). The Corporation's obligation to provide cash in accordance with the preceding sentence shall be deemed fulfilled if, on or before the Redemption Date, the Corporation shall deposit with a bank or trust company (which may be an affiliate of the Corporation) that has an office in the Borough of Manhattan, City of New York, or in Baltimore, Maryland and that has, or is an affiliate of a bank or trust company that has, a capital and surplus of at least \$50,000,000, the cash necessary for such redemption, in trust, with irrevocable instructions that such cash be applied to the redemption of the Series E Preferred Stock so called for redemption. No interest shall accrue for the benefit of the holder of Series E Preferred Stock to be redeemed on any cash so set aside by the Corporation. Subject to applicable escheat laws, any such cash unclaimed at the end of two years from the Redemption Date shall revert to the general funds of the Corporation, after which reversion the holders of such shares so called for redemption shall look only to the general funds of the Corporation for the payment of such cash.

As promptly as practicable after the surrender in accordance with said notice of the certificates for any such shares of Series E Preferred Stock so redeemed (properly endorsed or assigned for transfer, if the Corporation shall so require and if the notice shall so state), such shares of Series E Preferred Stock shall be exchanged for the cash (without interest thereon) for which such shares of Series E Preferred Stock have been redeemed. If fewer than all of the outstanding shares of Series E Preferred Stock are to be redeemed, the shares of Series E Preferred Stock to be redeemed shall be selected by the Corporation from the outstanding shares of Series E Preferred Stock not previously called for redemption by lot or pro rata (as nearly as may be possible). If fewer than all the shares of Series E Preferred Stock represented by any certificate are redeemed, then new certificates representing the unredeemed shares of Series E Preferred Stock shall be issued without cost to the holder thereof.

Section 6. Reacquired Shares to Be Retired. All shares of Series E Preferred Stock that have been issued and reacquired in any manner by the Corporation shall be restored to the status of authorized but unissued shares of Preferred Stock, without designation as to series.

Section 7. Conversion Rights. Except as provided in this Section 7, the Series E Preferred Stock are not convertible into or exchangeable for any other property or securities of the Corporation at the option of any holder of Series E Preferred Stock.

(a) Upon the occurrence of a Change of Control, each holder of Series E Preferred Stock shall have the right (unless, prior to the Change of Control Conversion Date, the Corporation has provided notice of its election to redeem some or all of the shares of Series E Preferred Stock held by such holder pursuant to Section 5, in which case such holder will have the right only with respect to shares of Series E Preferred Stock that are not called for redemption) to convert each of the Series E Preferred Stock held by such holder (the "**Change of Control Conversion Right**") on the Change of Control Conversion Date into a number of shares of Class A Common Stock (the "**Common Stock Conversion Consideration**") equal to the lesser of: (i) the quotient obtained by dividing (x) the sum of the Liquidation Preference per share of Series E Preferred Stock plus the amount of any accrued and unpaid dividends thereon

to, but not including, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a Dividend Payment Record Date and prior to the corresponding Dividend Payment Date for the Series E Preferred Stock, in which case no additional amount for such accrued and unpaid dividends shall be included in this sum) by (y) the Common Stock Price (as defined below) (such quotient, the “**Conversion Rate**”); and (ii) 3.5403 (the “**Share Cap**”), subject to adjustments provided in Section 7(b) below.

(b) The Share Cap is subject to pro rata adjustments for any share splits (including those effected pursuant to a distribution of Class A Common Stock to existing holders of Class A Common Stock), subdivisions or combinations (in each case, a “**Share Split**”) with respect to Class A Common Stock as follows: the adjusted Share Cap as the result of a Share Split will be the number of shares of Class A Common Stock that is equivalent to the product obtained by multiplying (i) the Share Cap in effect immediately prior to such Share Split by (ii) a fraction, the numerator of which is the number of shares of Class A Common Stock outstanding immediately after giving effect to such Share Split and the denominator of which is the number of shares of Class A Common Stock outstanding immediately prior to such Share Split. For the avoidance of doubt, subject to the immediately succeeding sentence, the aggregate number of shares of Class A Common Stock (or equivalent Alternative Conversion Consideration (as defined below), as applicable) issuable or deliverable, as applicable, in connection with the exercise of the Change of Control Conversion Right shall not exceed the product of the Share Cap times the aggregate number of shares of the Series E Preferred Stock issued and outstanding at the Change of Control Conversion Date (or equivalent Alternative Conversion Consideration, as applicable) (the “**Exchange Cap**”). The Exchange Cap is subject to pro rata adjustments for any Share Splits on the same basis as the corresponding adjustment to the Share Cap.

(c) The “**Change of Control Conversion Date**” is the date the Series E Preferred Stock is to be converted, which shall be a Business Day selected by the Corporation that is no fewer than 20 days nor more than 35 days after the date on which it provides the notice described in Section 7(h) to the holders of Series E Preferred Stock.

(d) The “**Common Stock Price**” is (i) if the consideration to be received in the Change of Control by the holders of Class A Common Stock is solely cash, the amount of cash consideration per share of Class A Common Stock or (ii) if the consideration to be received in the Change of Control by holders of Class A Common Stock is other than solely cash (x) the average of the closing sale prices per share of Class A Common Stock (or, if no closing sale price is reported, the average of the closing bid and ask prices per share or, if more than one in either case, the average of the average closing bid and the average closing ask prices per share) for the ten consecutive trading days immediately preceding, but not including, the date on which such Change of Control occurred as reported on the principal U.S. securities exchange on which Class A Common Stock is then traded, or (y) the average of the last quoted bid prices for Class A Common Stock in the over-the-counter market as reported by Pink OTC Markets Inc. or similar organization for the ten consecutive trading days immediately preceding, but not including, the date on which such Change of Control occurred, if Class A Common Stock is not then listed for trading on a U.S. securities exchange.

(e) In the case of a Change of Control pursuant to which Class A Common Stock is or will be converted into cash, securities or other property or assets (including any combination thereof) (the “**Alternative Form Consideration**”), a holder of Series E Preferred Stock shall receive upon conversion of such Series E Preferred Stock the kind and amount of Alternative Form Consideration which such holder would have owned or been entitled to receive upon the Change of Control had such holder held a number of shares of Class A Common Stock equal to the Common Stock Conversion Consideration immediately prior to the effective time of the Change of Control (the “**Alternative Conversion Consideration**”; the Common Stock Conversion Consideration or the Alternative Conversion Consideration, whichever shall be applicable to a Change of Control, is referred to as the “**Conversion Consideration**”).

(f) If the holders of Class A Common Stock have the opportunity to elect the form of consideration to be received in the Change of Control, the Conversion Consideration in respect of such Change of Control shall be deemed to be the kind and amount of consideration actually received by holders of a majority of the outstanding shares of Class A Common Stock that made or voted for such an election (if electing between two types of consideration) or holders of a plurality of the outstanding shares of Class A Common Stock that made or voted for such an election (if electing between more than two types of consideration), as the case may be, and shall be subject to any limitations to which all holders of Class A Common Stock are subject, including, without limitation, pro rata reductions applicable to any portion of the consideration payable in such Change of Control.

(g) No fractional shares of Class A Common Stock shall be issued upon the conversion of the Series E Preferred Stock in connection with a Change of Control. Instead, holders shall be entitled to receive the cash value of such fractional shares based upon the Common Stock Price used in determining the Common Stock Conversion Consideration for such Change of Control.

(h) Within 15 days following the occurrence of a Change of Control, provided that the Corporation has not then exercised its right to redeem all shares of Series E Preferred Stock pursuant to Section 5, the Corporation shall provide to holders of Series E Preferred Stock a notice of occurrence of the Change of Control that describes the resulting Change of Control Conversion Right, which notice shall be delivered to the holders of record of the shares of the Series E Preferred Stock in their addresses as they appear on the stock transfer records of the Corporation and shall state: (i) the events constituting the Change of Control; (ii) the date of the Change of Control; (iii) the last date on which the holders of Series E Preferred Stock may exercise their Change of Control Conversion Right; (iv) the method and period for calculating the Common Stock Price;

(v) the Change of Control Conversion Date; (vi) that if, prior to the Change of Control Conversion Date, the Corporation has provided notice of its election to redeem all or any shares of Series E Preferred Stock, holders will not be able to convert the shares of Series E Preferred Stock called for redemption and such shares will be redeemed on the related Redemption Date, even if such shares have already been tendered for conversion pursuant to the Change of Control Conversion Right; (vii) if applicable, the type and amount of Alternative Conversion Consideration entitled to be received per share of Series E Preferred Stock; (viii) the name and address of the paying agent, transfer agent and conversion agent for the Series E Preferred Stock; (ix) the procedures that the holders of Series E Preferred Stock

must follow to exercise the Change of Control Conversion Right (including procedures for surrendering shares for conversion through the facilities of a Depositary (as defined below)), including the form of conversion notice to be delivered by such holders as described below; and (x) the last date on which holders of Series E Preferred Stock may withdraw shares surrendered for conversion and the procedures that such holders must follow to effect such a withdrawal.

(i) The Corporation shall also issue a press release containing such notice provided for in Section 7(h) for publication on Dow Jones & Company, Inc., Business Wire, PR Newswire or Bloomberg Business News (or, if these organizations are not in existence at the time of issuance of the press release, such other news or press organization as is reasonably calculated to broadly disseminate the relevant information to the public), and post a notice on its website, in any event prior to the opening of business on the first Business Day following any date on which it provides the notice provided for in Section 7(h) to the holders of Series E Preferred Stock.

(j) To exercise the Change of Control Conversion Right, the holders of Series E Preferred Stock shall be required to deliver, on or before the close of business on the Change of Control Conversion Date, the certificate(s), if any, representing the shares of Series E Preferred Stock to be converted, duly endorsed for transfer (or, in the case of any shares of Series E Preferred Stock held in book-entry form through a Depositary, to deliver, on or before the close of business on the Change of Control Conversion Date, the shares of Series E Preferred Stock to be converted through the facilities of such Depositary), together with a written conversion notice in the form provided by the Corporation, duly completed, to its transfer agent. The conversion notice must state: (i) the relevant Change of Control Conversion Date; (ii) the number of shares of Series E Preferred Stock to be converted; and (iii) that the shares of Series E Preferred Stock are to be converted pursuant to the applicable provisions of the Series E Preferred Stock.

(k) Holders of Series E Preferred Stock may withdraw any notice of exercise of a Change of Control Conversion Right (in whole or in part) by a written notice of withdrawal delivered to the transfer agent of the Corporation prior to the close of business on the Business Day prior to the Change of Control Conversion Date. The notice of withdrawal delivered by any holder must state: (i) the number of withdrawn shares of Series E Preferred Stock; (ii) if certificated shares of Series E Preferred Stock have been surrendered for conversion, the certificate numbers of the withdrawn shares of Series E Preferred Stock; and (iii) the number of shares of Series E Preferred Stock, if any, which remain subject to the holder's conversion notice.

(l) Notwithstanding anything to the contrary contained in Sections 7(j) and (k), if any shares of Series E Preferred Stock are held in book-entry form through The Depository Trust Company ("DTC") or a similar depository (each, a "**Depositary**"), the conversion notice and/or the notice of withdrawal, as applicable, must comply with applicable procedures, if any, of DTC or the applicable Depositary.

(m) Series E Preferred Stock as to which the Change of Control Conversion Right has been properly exercised and for which the conversion notice has not been properly withdrawn will be converted into the applicable Conversion Consideration in accordance with the Change of Control Conversion Right on the Change of Control Conversion Date, unless prior to the Change of Control Conversion Date the Corporation has provided notice of its election to redeem some or all of the shares of Series E Preferred Stock pursuant to Section 5, in which case only the shares of Series E Preferred Stock properly surrendered for conversion and not properly withdrawn that are not called for redemption will be converted as aforesaid. If the Corporation elects to redeem shares of Series E Preferred Stock that would otherwise be converted into the applicable Conversion Consideration on a Change of Control Conversion Date, such shares of Series E Preferred Stock shall not be so converted and the holders of such shares shall be entitled to receive on the applicable Redemption Date the Redemption Price as provided in Section 5.

(n) The Corporation shall deliver all securities, cash and any other property owing upon conversion no later than the third Business Day following the Change of Control Conversion Date. Notwithstanding the foregoing, the persons entitled to receive any shares of Class A Common Stock or other securities delivered on conversion will be deemed to have become the holders of record thereof as of the Change of Control Conversion Date.

(o) Notwithstanding any other provision of the Series E Preferred Stock, no holder of Series E Preferred Stock shall be entitled to convert such Series E Preferred Stock into shares of Class A Common Stock or the Alternative Conversion Consideration, as the case may be, to the extent that receipt of such Class A Common Stock or the Alternative Conversion Consideration would cause such holder (or any other person) to exceed the applicable share ownership limitations contained in the Charter or this Articles Supplementary or the governing document of the surviving entity, as the case may be, unless the Corporation provides an exemption from this limitation to such holder pursuant to the Charter and this Articles Supplementary or the surviving entity provides an exemption pursuant to the governing document of the surviving entity.

(p) Notwithstanding anything to the contrary herein and except as otherwise required by law, the persons who are the holders of record of shares of Series E Preferred Stock at the close of business on a Dividend Payment Record Date shall be entitled to receive the dividend payable on the corresponding Dividend Payment Date notwithstanding the conversion of those shares after such Dividend Record Date and on or prior to such Dividend Payment Date and, in such case, the full amount of such dividend shall be paid on such Dividend Payment Date to the persons who were the holders of record at the close of business on such Dividend Record Date. Except as provided in this Section 7(p), the Corporation shall make no allowance for unpaid dividends that are not in arrears on the shares of Series E Preferred Stock to be converted.

Section 8. Permissible Distributions. In determining whether a distribution (other than upon liquidation, dissolution or winding up), whether by dividend, or upon redemption or other acquisition of shares or otherwise, is permitted under Maryland law, amounts that would be needed, if the Corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of holders of shares of any class or series of stock whose preferential rights upon dissolution are superior or prior to those receiving the distribution shall not be added to the Corporation's total liabilities.

Section 9. Ranking. Any class or series of stock of the Corporation shall be deemed to rank:

(a) prior to the Series E Preferred Stock, as to the payment of dividends or as to distribution of assets upon liquidation, dissolution or winding up, if the holders of such class or series shall be entitled to the receipt of dividends or of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in preference or priority to the holders of Series E Preferred Stock;

(b) on a parity with the Series E Preferred Stock, as to the payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up, whether or not the dividend rates, dividend payment dates or redemption or liquidation prices per share thereof be different from those of the Series E Preferred Stock, if the holders of such class or series and the Series E Preferred Stock shall be entitled to the receipt of dividends or of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in proportion to their respective amounts of accrued and unpaid dividends per share or liquidation preferences, without preference or priority one over the other; and

(c) junior to the Series E Preferred Stock, as to the payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up, if such class or series of stock shall be Common Stock or if the holders of Series E Preferred Stock shall be entitled to receipt of dividends or of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in preference or priority to the holders of such class or series, and such class or series shall not in either case rank prior to the Series E Preferred Stock (“**Junior Shares**”).

As of the date hereof, 2,900,000 authorized shares of Series A Preferred Stock, 14,900,000 authorized shares of Series B Preferred Stock, 5,750,000 authorized shares of Series C Preferred Stock, 8,050,000 authorized shares of Series D Preferred Stock, 10,400,000 authorized shares of Series F Preferred Stock, 3,450,000 authorized shares of Series G Preferred Stock and 11,500,000 authorized shares of Series H Preferred Stock rank on a parity with the Series E Preferred Stock as to the payment of dividends and as to the distribution of assets upon liquidation, dissolution or winding up.

Section 10. Voting. Except as otherwise set forth herein, the Series E Preferred Stock shall not have any relative, participating, optional or other voting rights or powers, and the consent of the holders thereof shall not be required for the taking of any corporate action.

If and whenever six quarterly dividends (whether or not consecutive) payable on the Series E Preferred Stock are in arrears (which shall, with respect to any such quarterly dividend, mean that any such dividend has not been paid in full), whether or not earned or declared, the number of directors then constituting the Board of Directors shall be increased by two and the holders of Series E Preferred Stock, together with the holders of shares of every series or class of Dividend Parity Stock having like voting rights (shares of any such series or class, including the Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock, the Series D Preferred Stock, the Series F Preferred Stock, the Series G Preferred Stock and the Series H Preferred Stock, the “**Voting Preferred Shares**”), voting as a single class regardless of series, will have the right to elect two additional directors (the “**Preferred Directors**”) to serve on the Board of Directors at any annual meeting of stockholders or special meeting held in place thereof, or at a special meeting of the holders of Series E Preferred Stock and the Voting Preferred Shares called as hereinafter provided. For the avoidance of doubt, in

the election of both Preferred Directors, any outstanding shares of Series E Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock, Series F Preferred Stock, Series G Preferred Stock, Series H Preferred Stock and other Voting Preferred Shares shall vote together as a class, and the affirmative vote of a plurality of the votes cast by holders of outstanding shares of Series E Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock, Series F Preferred Stock, Series G Preferred Stock, Series H Preferred Stock and other Voting Preferred Shares shall be required to elect a Preferred Director. Whenever all arrears in dividends on the Series E Preferred Stock and the Voting Preferred Shares then outstanding shall have been paid and full dividends thereon for the current quarterly dividend period shall have been paid or declared and set apart for payment, then the right of the holders of the Series E Preferred Stock and the Voting Preferred Shares to elect such two additional directors shall cease (but subject always to the same provision for the vesting of such voting rights in the case of any similar future arrearages in six quarterly dividends), and the terms of office of the persons elected as director, by the holders of the Series E Preferred Stock and the Voting Preferred Shares shall forthwith terminate and the number of directors constituting the Board of Directors shall be reduced accordingly. At any time after such voting power shall have been so vested in the holders of shares of Series E Preferred Stock and the Voting Preferred Shares, the Secretary of the Corporation may, and upon the written request of any holder of Series E Preferred Stock (addressed to the Secretary at the principal office of the Corporation) shall, call a special meeting of the holders of the Series E Preferred Stock and of the Voting Preferred Shares for the election of the directors to be elected by them as herein provided, such call to be made by notice similar to that provided in the Bylaws of the Corporation for a special meeting of the stockholders or as required by law. If any such special meeting required to be called as above provided shall not be called by the Secretary within 20 days after receipt of such request, then any holder of Series E Preferred Stock may call such meeting, upon the notice above provided, and for that purpose shall have access to the stock books of the Corporation. The directors elected at any such special meeting shall hold office until the next annual meeting of the stockholders or special meeting held in lieu thereof, and until their successors are duly elected and qualify, and if such office shall not have previously terminated as above provided. If any vacancy shall occur among the directors elected by the holders of the Series E Preferred Stock and the Voting Preferred Shares, a successor shall be elected by the Board of Directors to serve until the next annual meeting of the stockholders or special meeting held in place thereof, and until their successors are duly elected and qualify, and if such office shall not have previously terminated as provided above. In no event shall the holders of Series E Preferred Stock be entitled pursuant to this Section 10 to elect a director that would cause the Corporation to fail to satisfy a requirement relating to director independence of any national securities exchange on which any class or series of the Corporation's stock is listed.

So long as any shares of Series E Preferred Stock are outstanding, in addition to any other vote or consent of stockholders required by the Charter, the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the holders of Series E Preferred Stock and the Voting Preferred Shares, at the time outstanding, voting as a single class regardless of series, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(a) Any amendment, alteration or repeal of any of the provisions of the Charter or these Articles Supplementary (whether by merger, consolidation or otherwise) that materially and adversely affects the voting powers, rights or preferences of the holders of the Series E Preferred Stock or the Voting Preferred Shares; provided, however, that (i) the amendment of the provisions of the Charter so as to authorize or create or to increase the authorized amount of, any Junior Shares or any shares of any class or series ranking on a parity with the Series E Preferred Stock as to the payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up or the Voting Preferred Shares (including any amendment to increase the amount of authorized shares of Series E Preferred Stock) shall not be deemed to materially adversely affect the voting powers, rights or preferences of the holders of Series E Preferred Stock and (ii) any filing with the State Department of Assessments and Taxation of Maryland by the Corporation including in connection with a merger, consolidation or otherwise, shall not be deemed to be an amendment, alteration or repeal of any of the provisions of the Charter or these Articles Supplementary that materially and adversely affects the voting powers, rights or preferences of the holders of the Series E Preferred Stock, provided that: (1) the Corporation is the surviving entity and the Series E Preferred Stock remain outstanding with the terms thereof materially unchanged in any respect adverse to the holders thereof; or (2) the resulting, surviving or transferee entity is organized under the laws of any state and substitutes or exchanges the Series E Preferred Stock for other preferred stock, shares or other equity interests having preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption thereof that are substantially similar to that of the Series E Preferred Stock (except for changes that do not materially and adversely affect the holders of Series E Preferred Stock); and *provided further*, that if any such amendment, alteration or repeal would materially and adversely affect any voting powers, rights or preferences of the Series E Preferred Stock or one or more but not all series of Voting Preferred Shares at the time outstanding, the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the holders of all series similarly affected, at the time outstanding, voting as a single class regardless of series, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be required in lieu of the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the holders of the Series E Preferred Stock and the Voting Preferred Shares otherwise entitled to vote in accordance herewith; or

(b) The authorization or creation of, or the increase in the authorized amount of, any shares of any class or series or any security convertible into shares of any class or series ranking prior to the Series E Preferred Stock in the distribution on any liquidation, dissolution or winding up of the Corporation or in the payment of dividends; provided, however, that, in the case of each of subparagraphs (a) and (b), no such vote of the holders of Series E Preferred Stock or Voting Preferred Shares, as the case may be, shall be required if, at or prior to the time when such amendment, alteration or repeal is to take effect, or when the issuance of any such prior shares or convertible security is to be made, as the case may be, provision is made for the redemption of all Series E Preferred Stock or Voting Preferred Shares, as the case may be, at the time outstanding in accordance with Section 5 hereof or, in the case of a merger, consolidation or otherwise, regardless of the date of the transaction, the holders of the Series E Preferred Stock receive in the transaction their liquidation preference plus accrued and unpaid dividends.

For purposes of determining the voting rights of the holders of the Series E Preferred Stock under this Section 10, each holder will be entitled to one vote for each Liquidation Preference per share with respect to shares of the Series E Preferred Stock held by such holder. Whether the vote or consent of the holders of a plurality, majority or other portion of the shares of the Series E Preferred Stock and any Voting Preferred Shares has been cast or given on any matter on which the holders of shares of the Series E Preferred Stock are entitled to vote shall be determined by the Corporation by reference to the specified liquidation amounts of the shares voted or covered by the consent.

Section 11. Information Rights. During any period in which the Corporation is not subject to Section 13 or 15(d) of the Securities Exchange Act and any shares of Series E Preferred Stock are outstanding, the Corporation will (i) transmit by mail to all holders of Series E Preferred Stock, as their names and addresses appear in the Corporation's record books and without cost to such holders, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act and (ii) promptly, upon request, supply copies of such reports to any prospective holder of Series E Preferred Stock. The Corporation will mail the information to the holders of Series E Preferred Stock within 15 days after the respective dates by which a periodic report on Form 10-K or Form 10-Q, as the case may be, in respect of such information would have been required to be filed with the Securities and Exchange Commission if the Corporation were subject to Section 13 or 15(d) of the Securities Exchange Act.

Section 12. Record Holders. The Corporation and the Transfer Agent may deem and treat the record holder of any Series E Preferred Stock as the true and lawful owner thereof for all purposes, and neither the Corporation nor the Transfer Agent shall be affected by any notice to the contrary.

Section 13. Restrictions on Ownership and Transfer. The Series E Preferred Stock constitutes Preferred Stock, and Preferred Stock constitutes Capital Stock of the Corporation. Therefore, the Series E Preferred Stock, being Capital Stock, is governed by and issued subject to all the limitations, terms and conditions of the Charter applicable to Capital Stock generally, including but not limited to the terms and conditions (including exceptions and exemptions) of Article VII of the Charter applicable to Capital Stock. The foregoing sentence shall not be construed to limit the applicability to the Series E Preferred Stock of any other term or provision of the Charter.

EXHIBIT F
SERIES F PREFERRED STOCK

Under a power contained in the charter (the "Charter") of Colony NorthStar, Inc., a Maryland corporation (the "Corporation"), the Board of Directors of the Corporation (the "Board") classified and designated 10,400,000 shares of the Preferred Stock (as defined in the Charter), as shares of 8.50% Series F Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share, with the following preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption set forth below, which upon any restatement of the Charter, shall be deemed to be part of Article VI of the Charter, with any necessary or appropriate changes to the enumeration or lettering of sections or subsections hereof:

8.50% Series F Cumulative Redeemable Perpetual Preferred Stock

(1) *Designation and Number.* A series of Preferred Stock, designated as the "8.50% Series F Cumulative Redeemable Perpetual Preferred Stock" (the "Series F Preferred Stock"), is hereby established. The par value of the Series F Preferred Stock is \$0.01 per share. The number of shares of the Series F Preferred Stock shall be 10,400,000.

(2) *Ranking.* The Series F Preferred Stock will, with respect to rights to receive dividends and to participate in distributions or payments upon liquidation, dissolution or winding up of the Corporation, rank (a) senior to the Common Stock (as defined in the Charter) and any other class of capital stock of the Corporation, now or hereafter issued and outstanding, the terms of which provide that such capital stock ranks, as to the payment of dividends or amounts upon liquidation, dissolution or winding up of the Corporation, junior to such Series F Preferred Stock ("Junior Stock"), (b) on a parity with the 8.75% Series A Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share, the 8.25% Series B Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share, the 8.875% Series C Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share, the 8.500% Series D Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share, the 8.75% Series E Cumulative Redeemable Perpetual Preferred Stock, liquidation preference

\$25.00 per share, the 7.50% Series G Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share, and the 7.125% Series H Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share, and any equity securities the Corporation may authorize or issue in the future that, pursuant to the terms thereof, rank on parity with the Series F Preferred Stock with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation ("Parity Stock"); and

(c) junior to any equity securities the Corporation may authorize or issue in the future that, pursuant to the terms thereof, rank senior to the Series F Preferred Stock with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation ("Senior Stock"). Any authorization or issuance of Senior Stock would require the affirmative vote of the holders of at least two-thirds of the outstanding shares of Series F Preferred Stock voting together as a single class with all other classes or series of Parity Stock upon which like voting rights have been conferred and are exercisable. Any convertible or exchangeable debt securities that the Corporation may issue are not considered to be equity securities for these purposes.

(3) *Dividends.*

(a) Holders of the then outstanding shares of Series F Preferred Stock shall be entitled to receive, when, as and if authorized by the Board and declared by the Corporation, out of funds legally available for payment of dividends, cumulative cash dividends at the rate of 8.50% per annum of the \$25.00 liquidation preference of each share of Series F Preferred Stock (equivalent to \$2.125 per annum per share).

(b) Dividends on each outstanding share of Series F Preferred Stock shall be cumulative from and including January 15, 2017 and shall be payable (i) for the period from January 15, 2017 to April 14, 2017, on April 15, 2017, and (ii) for each quarterly distribution period thereafter, quarterly in equal amounts in arrears on the 15th day of each January, April, July and October, commencing on July 15, 2017 (each such day being hereinafter called a "Series F Dividend Payment Date") at the then applicable annual rate; provided, however, that if any Series F Dividend Payment Date falls on any day other than a Business Day (as hereinafter defined), the dividend that would otherwise have been payable on such Series F Dividend Payment Date may be paid on the next succeeding Business Day with the same force and effect as if paid on such Series F Dividend Payment Date, and no interest or other sums shall accrue on the amount so payable from such Series F Dividend Payment Date to such next succeeding Business Day. Each dividend is payable to holders of record as they appear on the stock records of the Corporation at the close of business on the record date, not exceeding 30 days preceding the applicable Series F Dividend Payment Date, as shall be fixed by the Board. Dividends shall accumulate from January 15, 2017 or the most recent Series F Dividend Payment Date to which full cumulative dividends have been paid, whether or not in any such dividend period or periods there shall be funds legally available for the payment of such dividends, whether the Corporation has earnings or whether such dividends are authorized. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on the Series F Preferred Stock that may be in arrears. Holders of the Series F Preferred Stock shall not be entitled to any dividends, whether payable in cash, property or stock, in excess of full cumulative dividends, as herein provided, on the Series F Preferred Stock. Dividends payable on the Series F Preferred Stock for any period greater or less than a full dividend period will be computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends payable on the Series F Preferred Stock for each full dividend period will be computed by dividing the applicable annual dividend rate by four. After full cumulative distributions on the Series F Preferred Stock have been paid, the holders of Series F Preferred Stock will not be entitled to any further distributions with respect to that dividend period.

(c) So long as any shares of Series F Preferred Stock are outstanding, no dividends, except as described in the immediately following sentence, shall be authorized and declared or paid or set apart for payment on any series or class or classes of Parity Stock for any period unless full cumulative dividends have been declared and paid or are contemporaneously declared and paid or declared and a sum sufficient for the payment thereof set apart for such payment on the Series F Preferred Stock for all prior dividend periods. When dividends are not paid in full or a sum sufficient for such payment is not set apart, as aforesaid, all dividends authorized and declared upon the Series F Preferred Stock and all dividends authorized and declared upon any other series or class or classes of Parity Stock shall be authorized and declared ratably in proportion to the respective amounts of dividends accumulated and unpaid on the Series F Preferred Stock and such Parity Stock.

(d) So long as any shares of Series F Preferred Stock are outstanding, no dividends (other than dividends or distributions paid solely in Junior Stock of, or in options, warrants or rights to subscribe for or purchase, Junior Stock) shall be authorized and declared or paid or set apart for payment or other distribution authorized and declared or made upon Junior Stock, nor shall any Junior Stock be redeemed, purchased or otherwise acquired (other than a redemption, purchase or other acquisition of Common Stock made for purposes of and in compliance with requirements of an employee incentive or benefit plan of the Corporation or any subsidiary, or a conversion into or exchange for Junior Stock or redemptions for the purpose of preserving the Corporation's qualification as a REIT (as defined in the Charter)), for any consideration (or any monies to be paid to or made available for a sinking fund for the redemption of any such shares) by the Corporation, directly or indirectly (except by conversion into or exchange for Junior Stock), unless in each case full cumulative dividends on all outstanding shares of Series F Preferred Stock and any Parity Stock at the time such dividends are payable shall have been paid or set apart for payment for all past dividend periods with respect to the Series F Preferred Stock and all past dividend periods with respect to such Parity Stock.

(e) Any dividend payment made on the Series F Preferred Stock, including any capital gains dividends, shall first be credited against the earliest accrued but unpaid dividend due with respect to such shares which remains payable.

(f) Except as provided herein, the Series F Preferred Stock shall not be entitled to participate in the earnings or assets of the Corporation.

(g) As used herein, the term "Business Day" shall mean any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in New York, New York are authorized or required by law, regulation or executive order to close.

(h) As used herein, the term "dividend" does not include dividends payable solely in shares of Junior Stock on Junior Stock, or in options, warrants or rights to holders of Junior Stock to subscribe for or purchase any Junior Stock.

(4) *Liquidation Preference.*

(a) In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, before any payment or distribution of the assets of the Corporation shall be made to or set apart for the holders of Junior Stock, the holders of the Series F Preferred Stock shall be entitled to receive \$25.00 per share (the "Liquidation Preference") plus an amount per share equal to all accrued and unpaid dividends (whether or not earned or declared) thereon to, but not including, the date of final distribution to such holders; but such holders of the Series F Preferred Stock shall not be entitled to any further payment. If, upon any such liquidation, dissolution or winding up of the Corporation, the assets of the Corporation, or proceeds thereof, distributable among the holders of the Series F Preferred Stock shall be insufficient to pay in full the preferential amount aforesaid and liquidating payments on any other Parity Stock, then such assets, or the proceeds thereof, shall be

distributed among the holders of such Series F Preferred Stock and any such other Parity Stock ratably in accordance with the respective amounts that would be payable on such Series F Preferred Stock and any such other Parity Stock if all amounts payable thereon were paid in full. For the purposes of this Section 4, none of (i) a consolidation or merger of the Corporation with one or more entities, (ii) a statutory stock exchange by the Corporation or (iii) a sale or transfer of all or substantially all of the Corporation's assets shall be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary, of the Corporation.

(b) Until payment shall have been made in full to the holders of the Series F Preferred Stock, as provided in this Section 4, and to the holders of Parity Stock, subject to any terms and provisions applying thereto, no payment will be made to any holder of Junior Stock upon the liquidation, dissolution or winding up of the Corporation. Subject to the rights of the holders of Parity Stock, upon any liquidation, dissolution or winding up of the Corporation, after payment shall have been made in full to the holders of the Series F Preferred Stock, as provided in this Section 4, any series or class or classes of Junior Stock shall, subject to any respective terms and provisions applying thereto, be entitled to receive any and all assets remaining to be paid or distributed, and the holders of the Series F Preferred Stock shall not be entitled to share therein.

(5) *Optional Redemption.*

(a) Except as otherwise permitted by the Charter and paragraph (b) below, the Series F Preferred Stock shall not be redeemable by the Corporation prior to March 20, 2017. On and after March 20, 2017, the Corporation, at its option, upon giving notice as provided below, may redeem the Series F Preferred Stock, in whole, at any time, or in part, from time to time, for cash at a redemption price of \$25.00 per share, plus any accrued and unpaid dividends on the Series F Preferred Stock (whether or not declared), to, but not including, the redemption date (the "Regular Redemption Right").

(b) Upon the occurrence of a Change of Control (as defined herein), the Corporation will have the option, upon giving notice as provided below, to redeem the Series F Preferred Stock, in whole, at any time, or in part, from time to time, within 120 days after the first date on which the Change of Control has occurred (the "Special Redemption Right"), for cash at a redemption price of \$25.00 per share, plus any accrued and unpaid dividends on the Series F Preferred Stock (whether or not declared), to, but not including, the redemption date (the "Special Redemption Price"). If the Corporation exercises its Special Redemption Right in connection with a Change of Control, holders of Series F Preferred Stock will not be permitted to exercise their Change of Control Conversion Right (as defined herein) in respect of any shares of Series F Preferred Stock that have been called for redemption, and any shares of Series F Preferred Stock subsequently called for redemption that have been tendered for conversion will be redeemed on the applicable date of redemption instead of converted on the Change of Control Conversion Date (as defined herein). Any partial redemption will be selected by lot or pro rata or by any other equitable method the Corporation may choose (including by electing to exercise the Special Redemption Right only with respect to shares of Series F Preferred Stock for which holders have exercised their Change of Control Conversion Right).

A “Change of Control” will be deemed to have occurred at such time after the original issuance of the Series F Preferred Stock when the following has occurred:

(i) the acquisition by any person, including any syndicate or group deemed to be a “person” under Section 13(d)(3) of the Exchange Act, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of shares of the Corporation entitling that person to exercise more than 50% of the total voting power of all shares of the Corporation entitled to vote generally in elections of directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and

(ii) following the closing of any transaction referred to in clause (i) above, neither the Corporation nor the acquiring or surviving entity has a class of common securities or American Depositary Receipts listed on the NYSE, the NYSE Amex Equities, or NYSE Amex, or NASDAQ, or listed on an exchange that is a successor to the NYSE, NYSE Amex or NASDAQ.

(c) The following provisions set forth the general procedures for redemption applicable to redemptions pursuant to the Regular Redemption Right and the Special Redemption Right:

(i) Upon any redemption date applicable to Series F Preferred Stock, the Corporation shall pay on each share of Series F Preferred Stock to be redeemed any accrued and unpaid dividends (whether or not declared), in arrears, for any dividend period ending on or prior to the redemption date. If a redemption date falls after a record date for a Series F Preferred Stock dividend payment and prior to the corresponding Series F Dividend Payment Date, then each holder of the Series F Preferred Stock at the close of business on such record date shall be entitled to the dividend payable on such Series F Preferred Stock on the corresponding Series F Dividend Payment Date notwithstanding the redemption of such Series F Preferred Stock prior to such Series F Dividend Payment Date. Except as provided above, the Corporation shall make no payment or allowance for unpaid dividends, whether or not in arrears, on any shares of Series F Preferred Stock called for redemption.

(ii) If full cumulative dividends on the Series F Preferred Stock and any class or classes of Parity Stock have not been paid or declared and set apart for payment, the Corporation may not purchase, redeem or otherwise acquire Series F Preferred Stock in part or any Parity Stock other than in exchange for Junior Stock; provided, however, that the foregoing shall not prevent the purchase by the Corporation of shares held in excess of the limits set forth in the Charter in order to ensure that the Corporation continues to meet the requirements for qualification as a REIT.

(iii) On and after the date fixed for redemption, provided that the Corporation has made available at the office of the registrar and transfer agent a sufficient amount of cash to effect the redemption, dividends will cease to accrue on the shares of Series F Preferred Stock called for redemption (except that, in the case of a redemption date after a dividend payment record date and prior to the related Series F Dividend Payment Date, holders of Series F Preferred Stock on the applicable dividend payment record date will be entitled on such Series F Dividend Payment Date to receive the dividend payable on such shares on the corresponding Series F Dividend Payment Date), such shares shall no longer be deemed to be outstanding and all rights of the holders of such shares as holders of Series F Preferred Stock shall cease except the right to receive the cash payable upon such redemption, without interest from the date of such redemption.

(d) The following provisions set forth the procedures for redemption, in addition to those general procedures set forth in Section 5(c) hereof, pursuant to the Regular Redemption Right.

(i) A notice of redemption (which may be contingent upon the occurrence of a future event) shall be mailed, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date, addressed to the holders of record of the Series F Preferred Stock at their addresses as they appear on the Corporation's stock transfer records. A failure to give such notice or any defect in the notice or in its mailing shall not affect the validity of the proceedings for the redemption of any shares of the Series F Preferred Stock except as to the holder to whom notice was defective or not given. In addition to any information required by law or by the applicable rules of any exchange upon which the Series F Preferred Stock may be listed or admitted to trading, each notice shall state: (A) the redemption date;

(B) the redemption price; (C) the number of shares of Series F Preferred Stock to be redeemed and, if fewer than all the shares of Series F Preferred Stock held by such holder are to be redeemed, the number of such shares of Series F Preferred Stock to be redeemed from such holder; (D) the place or places where the certificates, if any, evidencing the shares of Series F Preferred Stock are to be surrendered for payment of the redemption price; and (E) that dividends on the shares to be redeemed will cease to accrue on such redemption date except as otherwise provided herein.

(ii) If fewer than all the outstanding shares of the Series F Preferred Stock are to be redeemed, the shares to be redeemed shall be selected by lot or pro rata (as nearly as practicable without creating fractional shares) or by any other equitable method the Corporation may choose.

(iii) At its election, the Corporation, prior to a redemption date, may irrevocably deposit the redemption price (including accumulated and unpaid dividends to the redemption date) of the Series F Preferred Stock so called for redemption in trust for the holders thereof with a bank or trust company, in which case the redemption notice to holders of the Series F Preferred Stock to be redeemed shall (A) state the date of such deposit, (B) specify the office of such bank or trust company as the place of payment of the redemption price and (C) require such holders to surrender the certificates evidencing such shares at such place on or about the date fixed in such redemption notice (which may not be later than the redemption date) against payment of the redemption price (including all accumulated and unpaid dividends to the redemption date). Subject to applicable escheat laws, any monies so deposited which remain unclaimed by the holders of the Series F Preferred Stock at the end of two years after the redemption date shall be returned by such bank or trust company to the Corporation.

(e) The following provisions set forth the procedures for redemption, in addition to those general procedures set forth in Section 5(c) hereof, pursuant to the Special Redemption Right.

(i) A notice of special optional redemption will be mailed, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date, addressed to the holders of record of the Series F Preferred Stock at their addresses as they appear on the Corporation's stock transfer records. A failure to give such notice or any defect in the notice or in its mailing will not affect the validity of the proceedings for the special optional redemption of the shares of Series F Preferred Stock except as to the holder to whom notice was defective or not given. Each notice will state: (A) the redemption date; (B) the redemption price; (C) the number of shares of Series F Preferred Stock to be redeemed; (D) the place or places where the certificates, if any, evidencing the shares of Series F Preferred Stock are to be surrendered for payment; (E) that the shares of Series F Preferred Stock are being redeemed pursuant to the Corporation's special optional redemption right in connection with the occurrence of a Change of Control and a brief description of the transaction or transactions constituting such Change of Control; (F) that the holders of shares of Series F Preferred Stock to which the notice relates will not be able to tender such shares of Series F Preferred Stock for conversion in connection with the Change of Control and each share of Series F Preferred Stock tendered for conversion that is selected for redemption, prior to the Change of Control Conversion Date, will be redeemed on the related date of redemption instead of converted on the Change of Control Conversion Date; and (G) that dividends on the shares to be redeemed will cease to accrue on such redemption date except as otherwise provided herein.

(ii) If fewer than all the shares of Series F Preferred Stock held by any holder are to be redeemed, the notice mailed to such holder will also specify the number of shares of Series F Preferred Stock to be redeemed from such holder. If fewer than all of the outstanding shares of Series F Preferred Stock are to be redeemed, the shares to be redeemed shall be selected by lot or pro rata or by any other equitable method the Corporation may choose (including by electing to exercise the Special Redemption Right only with respect to shares of Series F Preferred Stock for which holders have exercised their Change of Control Conversion Right).

(iii) On and after the date fixed for redemption, provided that the Corporation has given a notice of redemption and has paid or set aside sufficient funds for the redemption in trust for the benefit of the holders of shares of Series F Preferred Stock called for redemption, those shares of Series F Preferred Stock will be treated as no longer being outstanding, no further dividends will accrue on the share of Series F Preferred Stock called for redemption and all other rights of the holders of those shares of Series F Preferred Stock will terminate (except that, in the case of a redemption date after a dividend payment record date and prior to the related Series F Dividend Payment Date, holders of Series F Preferred Stock on the applicable record date will be entitled on such Series F Dividend Payment Date to receive the dividend payable on such shares on the corresponding Series F Dividend Payment Date). The holders of those shares of Series F Preferred Stock will retain their right to receive the redemption price for their shares and any accrued and unpaid dividends to (but not including) the redemption date, without interest from the date of such redemption.

(iv) At its election, the Corporation, prior to a redemption date, may irrevocably deposit the redemption price (including accumulated and unpaid dividends to the redemption date) of the Series F Preferred Stock so called for redemption in trust for the holders thereof with a bank or trust company, in which case the redemption notice to holders of the Series F Preferred Stock to be redeemed shall (A) state the date of such deposit, (B) specify the office of such bank or trust company as the place of payment of the redemption price and (C) require such holders to surrender the certificates evidencing such shares at such place on or about the date fixed in such redemption notice (which may not be later than the redemption date) against payment of the redemption price (including all accumulated and unpaid dividends to the redemption date). Subject to applicable escheat laws, any monies so deposited which remain unclaimed by the holders of the Series F Preferred Stock at the end of two years after the redemption date shall be returned by such bank or trust company to the Corporation.

(f) Any shares of Series F Preferred Stock that shall at any time have been redeemed shall, after such redemption, have the status of authorized but unissued Preferred Stock, without designation as to series until such shares are once more designated as part of a particular series by the Board.

(6) *Voting Rights.* Except as otherwise set forth herein, the Series F Preferred Stock shall not have any relative, participating, optional or other voting rights or powers, and the consent of the holders thereof shall not be required for the taking of any corporate action. In any matter in which the holders of Series F Preferred Stock are entitled to vote, each such holder shall have the right to one vote for each share of Series F Preferred Stock held by such holder.

(a) If and whenever six quarterly dividends (whether or not consecutive) payable on the Series F Preferred Stock are in arrears, whether or not earned or declared, the number of members then constituting the Board will be increased by two and the holders of Series F Preferred Stock, voting together as a class with the holders of any other series of Parity Stock upon which like voting rights have been conferred and are exercisable (any such other series, the "Voting Preferred Stock"), will have the right to elect two additional directors of the Corporation (the "Preferred Stock Directors") at an annual meeting of stockholders or a properly called special meeting of the holders of the Series F Preferred Stock and such Voting Preferred Stock and at each subsequent annual meeting of stockholders until all such dividends and dividends for the then current quarterly period on the Series F Preferred Stock and such other Voting Preferred Stock have been paid or declared and set aside for payment. Whenever all arrears in dividends on the Series F Preferred Stock and the Voting Preferred Stock then outstanding have been paid and full dividends on the Series F Preferred Stock and the Voting Preferred Stock for the then current quarterly dividend period have been paid in full or declared and set apart for payment in full, then the right of the holders of the Series F Preferred Stock and the Voting Preferred Stock to elect the two Preferred Stock Directors will cease, the terms of office of the Preferred Stock Directors will forthwith terminate and the number of members of the Board will be reduced accordingly; provided, however, that the right of the holders of the Series F Preferred Stock and the Voting Preferred Stock to elect the Preferred Stock Directors will again vest if and whenever six quarterly dividends are in arrears, as described above. In no event shall the holders of Series F Preferred Stock be entitled pursuant to these voting rights to elect a director that would cause the Corporation to fail to satisfy a requirement relating to director independence of any national securities exchange on which any class or series of the Corporation's stock is listed. In class votes with other Voting Preferred Stock, preferred stock of different series shall vote in proportion to the liquidation preference of the preferred stock.

(b) So long as any shares of Series F Preferred Stock are outstanding, the approval of two-thirds of the votes entitled to be cast by the holders of outstanding Series F Preferred Stock, voting separately as a class, either at a meeting of stockholders or by written consent, is required (i) to amend, alter or repeal any provisions of the Charter (including these Articles Supplementary), whether by merger, consolidation or otherwise, to affect materially and adversely the voting powers, rights or preferences of the holders of the Series F Preferred Stock, unless in connection with any such amendment, alteration or repeal, the Series F Preferred Stock remains outstanding without the terms thereof being materially changed in any respect adverse to the holders thereof or is converted into or exchanged for preferred stock of the surviving entity having preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption thereof that are substantially similar to those of the Series F Preferred Stock, or (ii) to authorize, create, or increase the authorized amount of any class or series of capital stock having rights senior to the Series F Preferred Stock with respect to the payment of dividends or amounts upon liquidation, dissolution or winding up (provided that if such amendment affects materially and adversely the rights, preferences, privileges or voting powers of one or more but not all of the other series of Voting Preferred Stock, the consent of the holders of at least two-thirds of the outstanding shares of each such series so affected is required). However, the Corporation may create additional classes of Parity Stock and Junior Stock, amend the Charter and these Articles Supplementary to increase the authorized number of shares of Parity Stock (including the Series F Preferred Stock) and Junior Stock and issue additional series of Parity Stock and Junior Stock without the consent of any holder of Series F Preferred Stock.

(c) The foregoing voting provisions shall not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding Series F Preferred Stock shall have been redeemed or called for redemption upon proper notice and sufficient funds shall have been deposited in trust to effect such redemption.

(7) *Information Rights.* During any period in which the Corporation is not subject to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and any shares of Series F Preferred Stock are outstanding, the Corporation will (i) transmit by mail (or other permissible means under the Exchange Act) to all holders of Series F Preferred Stock, as their names and addresses appear in the record books of the Corporation and without cost to such holders, copies of the annual reports on Form 10-K and quarterly reports on Form 10-Q that the Corporation would have been required to file with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Exchange Act if the Corporation were subject thereto (other than any exhibits that would have been required) and (ii) promptly, upon request, supply copies of such reports to any prospective holder of Series F Preferred Stock. The Corporation will mail (or otherwise provide) the information to the holders of Series F Preferred Stock within 15 days after the respective dates by which a periodic report on Form 10-K or Form 10-Q, as the case may be, in respect of such information would have been required to be filed with the Securities and Exchange Commission if the Corporation were subject to Section 13 or 15(d) of the Exchange Act, in each case, based on the dates on which the Corporation would be required to file such periodic reports if the Corporation were a “non-accelerated filer” within the meaning of the Exchange Act.

(8) *Other Limitations; Ownership and Transfer of the Series F Preferred Stock.* The Series F Preferred Stock constitutes Capital Stock (as defined in the Charter) of the Corporation and is governed by and issued subject to all the ownership and transfer restrictions of the Charter applicable to Capital Stock generally, including but not limited to the terms and conditions (including exceptions and exemptions) of Article VII of the Charter applicable to Capital Stock. The foregoing sentence shall not be construed to limit the applicability to the Series F Preferred Stock of any other term or provision of the Charter.

(9) *Conversion Upon a Change of Control.* The Series F Preferred Stock is not convertible into or exchangeable for any other property or securities of the Corporation, except as provided in this Section 9.

(a) Upon the occurrence of a Change of Control, each holder of Series F Preferred Stock will have the right, subject to the Special Redemption Right of the Corporation, to convert some or all of the shares of Series F Preferred Stock held by such holder (the "Change of Control Conversion Right") on the relevant Change of Control Conversion Date (as defined herein) into a number of shares of Class A Common Stock (as defined in the Charter) per share of Series F Preferred Stock (the "Common Stock Conversion Consideration") equal to the lesser of (A) the quotient obtained by dividing (i) the sum of (x) \$25.00, plus (y) an amount equal to any accrued and unpaid dividends (whether or not declared) to, but not including, the Change of Control Conversion Date (as defined herein), except if such Change of Control Conversion Date is after a record date for a Series F Preferred Stock dividend payment and prior to the corresponding Series F Dividend Payment Date, in which case the amount pursuant to this clause (i)(y) shall equal \$0.00 in respect of such dividend payment to be made on such Series F Dividend Payment Date, by (ii) the Common Stock Price (as defined herein) (such quotient, the "Conversion Rate"), and (B) 4.3718 (the "Share Cap"), subject to the immediately succeeding paragraph.

The Share Cap is subject to pro rata adjustments for any share splits (including those effected pursuant to a Class A Common Stock dividend), subdivisions or combinations (in each case, a "Share Split") with respect to Class A Common Stock as follows: the adjusted Share Cap as the result of a Share Split shall be the number of shares of Class A Common Stock that is equivalent to the product of (i) the Share Cap in effect immediately prior to such Share Split multiplied by (ii) a fraction, the numerator of which is the number of shares of Class A Common Stock outstanding after giving effect to such Share Split and the denominator of which is the number of shares of Class A Common Stock outstanding immediately prior to such Share Split.

For the avoidance of doubt, subject to the immediately succeeding sentence, the aggregate number of shares of Class A Common Stock (or equivalent Alternative Conversion Consideration (as defined herein), as applicable) issuable in connection with the exercise of the Change of Control Conversion Right shall not exceed 22,733,222 shares of Class A Common Stock (or equivalent Alternative

Conversion Consideration, as applicable), subject to increase to the extent the underwriters' over-allotment option to purchase additional Series F Preferred Stock in the initial public offering of Series F Preferred Stock is exercised, not to exceed 26,143,205 shares of Class A Common Stock in total (or equivalent Alternative Conversion Consideration, as applicable) (the "Exchange Cap"). The Exchange Cap is subject to pro rata adjustments for any Share Splits with respect to Class A Common Stock as follows: the adjusted Exchange Cap as the result of a Share Split will be the number of shares of Class A Common Stock that is equivalent to the product of (i) the Exchange Cap in effect immediately prior to such Share Split multiplied by (ii) a fraction, the numerator of which is the number of shares of Class A Common Stock outstanding after giving effect to such Share Split and the denominator of which is the number of shares of Class A Common Stock outstanding immediately prior to such Share Split.

In the case of a Change of Control as a result of which holders of Class A Common Stock are entitled to receive consideration other than solely shares of Class A Common Stock, including other securities, other property or assets (including cash or any combination thereof) with respect to or in exchange for shares of Class A Common Stock (the "Alternative Form Consideration"), a holder of Series F Preferred Stock shall be entitled thereafter to convert (subject to the Corporation's Special Redemption Right) such Series F Preferred Stock not into Class A Common Stock but solely into the kind and amount of Alternative Form Consideration which the holder of Series F Preferred Stock would have owned or been entitled to receive upon such Change of Control as if such holder of Series F Preferred Stock then held the Common Stock Conversion Consideration immediately prior to the effective time of the Change of Control (the "Alternative Conversion Consideration," and the Common Stock Conversion Consideration or the Alternative Conversion Consideration, as may be applicable to a Change of Control, shall be referred to herein as the "Conversion Consideration").

If the holders of Class A Common Stock have the opportunity to elect the form of consideration to be received in such Change of Control, the Conversion Consideration will be deemed to be the kind and amount of consideration actually received by holders of a majority of Class A Common Stock that voted for such an election (if electing between two types of consideration) or holders of a plurality of Class A Common Stock that voted for such an election (if electing between more than two types of consideration), as the case may be.

As used herein, "Common Stock Price" will mean (i) if the consideration to be received in the Change of Control by holders of shares of Class A Common Stock is solely cash, the amount of cash consideration per share of Class A Common Stock, (ii) if the consideration to be received in the Change of Control by holders of Class A Common Stock is other than solely cash, the average of the closing price per share of Class A Common Stock on the ten consecutive trading days immediately preceding, but not including, the effective date of the Change of Control, and (iii) if there is not a readily determinable closing price for the Class A Common Stock or Alternative Form Consideration (as defined herein), the fair market value of Class A Common Stock or such Alternative Form Consideration (as determined by the Board or a committee thereof).

(b) No fractional shares of Class A Common Stock shall be issued upon the conversion of Series F Preferred Stock. In lieu of fractional shares, holders shall be entitled to receive the cash value of such fractional shares based on the Common Stock Price.

(c) Within 15 days following the occurrence of a Change of Control, the Corporation shall provide to holders of Series F Preferred Stock a notice of occurrence of the Change of Control that describes the resulting Change of Control Conversion Right. A failure to give such notice or any defect in the notice or in its mailing shall not affect the validity of the proceedings for the conversion of any Series F Preferred Stock except as to the holder to whom notice was defective or not given. Each notice shall state the following: (i) the events constituting the Change of Control; (ii) the date of the Change of Control; (iii) the last date on which the holders of Series F Preferred Stock may exercise their Change of Control Conversion Right, which shall be the Change of Control Conversion Date; (iv) the method and period for calculating the Common Stock Price; (v) the Change of Control Conversion Date, which will be a business day occurring within 20 to 35 days following the date of the notice; (vi) if applicable, the type and amount of Alternative Conversion Consideration entitled to be received per share of Series F Preferred Stock; (vii) the name and address of the paying agent and the conversion agent; and (viii) the procedures that the holders of Series F Preferred Stock must follow to exercise the Change of Control Conversion Right.

(d) The Corporation shall issue a press release for publication on the Dow Jones & Company, Inc., Business Wire, PR Newswire or Bloomberg Business News (or, if such organizations are not in existence at the time of issuance of such press release, such other news or press organization as is reasonably calculated to broadly disseminate the relevant information to the public), or post notice on the Corporation's website, in any event prior to the opening of business on the first Business Day following any date on which the Corporation provides notice pursuant to paragraph (c) above to the holders of Series F Preferred Stock.

(e) In order to exercise the Change of Control Conversion Right, a holder of Series F Preferred Stock shall be required to deliver, on or before the close of business on the Change of Control Conversion Date, the certificates (if any) evidencing the shares of Series F Preferred Stock to be converted, duly endorsed for transfer, together with a written conversion notice completed, to the transfer agent. Such conversion notice shall state: (i) the relevant Change of Control Conversion Date; (ii) the number of shares of Series F Preferred Stock to be converted; and (iii) that the shares of Series F Preferred Stock are to be converted pursuant to the applicable provisions of the Series F Preferred Stock. Notwithstanding the foregoing, if the shares of Series F Preferred Stock are held in global form, such notice shall comply with applicable procedures of the Depository Trust Company ("DTC"). The "Change of Control Conversion Date" shall be a Business Day set forth in the notice of Change of Control provided in accordance with paragraph 9(c) hereof that is no less than 20 days nor more than 35 days after the date on which the Corporation gives such notice pursuant to paragraph 9(c) hereof.

(f) Holders of Series F Preferred Stock may withdraw any notice of exercise of a Change of Control Conversion Right (in whole or in part) by a written notice of withdrawal delivered to the Corporation's transfer agent prior to the close of business on the Business Day prior to the Change of Control Conversion Date. The notice of withdrawal must state: (i) the number of withdrawn shares of Series F Preferred Stock; (ii) if certificated shares of Series F Preferred Stock have been issued, the certificate numbers of the withdrawn shares of Series F Preferred Stock; and (iii) the number of shares of Series F Preferred Stock, if any, which remain subject to the conversion notice. Notwithstanding the foregoing, if the shares of Series F Preferred Stock are held in global form, the notice of withdrawal shall comply with applicable DTC procedures.

(g) Series F Preferred Stock as to which the Change of Control Conversion Right has been properly exercised and for which the conversion notice has not been properly withdrawn shall be converted into the applicable Conversion Consideration in accordance with the Change of Control Conversion Right on the Change of Control Conversion Date.

(h) In connection with the exercise of any Change of Control Conversion Right, the Corporation will comply with all U.S. federal and state securities laws and stock exchange rules in connection with any conversion of Series F Preferred Stock into Class A Common Stock. Notwithstanding anything to the contrary contained herein, no holder of Series F Preferred Stock will be entitled to convert such Series F Preferred Stock for Class A Common Stock to the extent that receipt of such Class A Common Stock would cause such holder (or any other person) to Beneficially Own or Constructively Own, within the meaning of the Charter, Common Stock of the Corporation in excess of the Common Stock Ownership Limit, as such term is defined in the Charter.

(10) *Record Holders.* The Corporation and the transfer agent for the Series F Preferred Stock may deem and treat the record holder of any Series F Preferred Stock as the true and lawful owner thereof for all purposes, and neither the Corporation nor the transfer agent shall be affected by any notice to the contrary.

EXHIBIT G
SERIES G PREFERRED STOCK

Under a power contained in the charter (the "Charter") of Colony NorthStar, Inc., a Maryland corporation (the "Corporation"), the Board of Directors of the Corporation (the "Board") classified and designated 3,450,000 shares of the Preferred Stock (as defined in the Charter), as shares of 7.50% Series G Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share, with the following preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption set forth below, which upon any restatement of the Charter, shall be deemed to be part of Article VI of the Charter, with any necessary or appropriate changes to the enumeration or lettering of sections or subsections hereof:

7.50% Series G Cumulative Redeemable Perpetual Preferred Stock

(1) *Designation and Number.* A series of Preferred Stock, designated as the "7.50% Series G Cumulative Redeemable Perpetual Preferred Stock" (the "Series G Preferred Stock"), is hereby established. The par value of the Series G Preferred Stock is \$0.01 per share. The number of shares of the Series G Preferred Stock shall be 3,450,000.

(2) *Ranking.* The Series G Preferred Stock will, with respect to rights to receive dividends and to participate in distributions or payments upon liquidation, dissolution or winding up of the Corporation, rank (a) senior to the Common Stock (as defined in the Charter) and any other class of capital stock of the Corporation, now or hereafter issued and outstanding, the terms of which provide that such capital stock ranks, as to the payment of dividends or amounts upon liquidation, dissolution or winding up of the Corporation, junior to such Series G Preferred Stock ("Junior Stock"), (b) on a parity with the 8.75% Series A Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share, the 8.25% Series B Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share, the 8.875% Series C Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share, the 8.500% Series D Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share, the 8.75% Series E Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share, the 8.50% Series F Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share, and the 7.125% Series H Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share, and any equity securities the Corporation may authorize or issue in the future that, pursuant to the terms thereof, rank on parity with the Series G Preferred Stock with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation ("Parity Stock"); and (c) junior to any equity securities the Corporation may authorize or issue in the future that, pursuant to the terms thereof, rank senior to the Series G Preferred Stock with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation ("Senior Stock"). Any authorization or issuance of Senior Stock would require the affirmative vote of the holders of at least two-thirds of the outstanding shares of Series G Preferred Stock voting together as a single class with all other classes or series of Parity Stock upon which like voting rights have been conferred and are exercisable. Any convertible or exchangeable debt securities that the Corporation may issue are not considered to be equity securities for these purposes.

(3) *Dividends.*

(a) Holders of the then outstanding shares of Series G Preferred Stock shall be entitled to receive, when, as and if authorized by the Board and declared by the Corporation, out of funds legally available for payment of dividends, cumulative cash dividends at the rate of 7.50% per annum of the \$25.00 liquidation preference of each share of Series G Preferred Stock (equivalent to \$1.875 per annum per share).

(b) Dividends on each outstanding share of Series G Preferred Stock shall be cumulative from and including January 15, 2017 and shall be payable (i) for the period from January 15, 2017 to April 14, 2017, on April 15, 2017, and (ii) for each quarterly distribution period thereafter, quarterly in equal amounts in arrears on the 15th day of each January, April, July and October, commencing on July 15, 2017 (each such day being hereinafter called a "Series G Dividend Payment Date") at the then applicable annual rate; provided, however, that if any Series G Dividend Payment Date falls on any day other than a Business Day (as hereinafter defined), the dividend that would otherwise have been payable on such Series G Dividend Payment Date may be paid on the next succeeding Business Day with the same force and effect as if paid on such Series G Dividend Payment Date, and no interest or other sums shall accrue on the amount so payable from such Series G Dividend Payment Date to such next succeeding Business Day. Each dividend is payable to holders of record as they appear on the stock records of the Corporation at the close of business on the record date, not exceeding 30 days preceding the applicable Series G Dividend Payment Date, as shall be fixed by the Board. Dividends shall accumulate from January 15, 2017 or the most recent Series G Dividend Payment Date to which full cumulative dividends have been paid, whether or not in any such dividend period or periods there shall be funds legally available for the payment of such dividends, whether the Corporation has earnings or whether such dividends are authorized. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on the Series G Preferred Stock that may be in arrears. Holders of the Series G Preferred Stock shall not be entitled to any dividends, whether payable in cash, property or stock, in excess of full cumulative dividends, as herein provided, on the Series G Preferred Stock. Dividends payable on the Series G Preferred Stock for any period greater or less than a full dividend period will be computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends payable on the Series G Preferred Stock for each full dividend period will be computed by dividing the applicable annual dividend rate by four. After full cumulative distributions on the Series G Preferred Stock have been paid, the holders of Series G Preferred Stock will not be entitled to any further distributions with respect to that dividend period.

(c) So long as any shares of Series G Preferred Stock are outstanding, no dividends, except as described in the immediately following sentence, shall be authorized and declared or paid or set apart for payment on any series or class or classes of Parity Stock for any period unless full cumulative dividends have been declared and paid or are contemporaneously declared and paid or declared and a sum sufficient for the payment thereof set apart for such payment on the Series G Preferred Stock for all prior dividend periods. When dividends are not paid in full or a sum sufficient for such payment is not set apart, as aforesaid, all dividends authorized and declared upon the Series G Preferred Stock and all dividends authorized and declared upon any other series or class or classes of Parity Stock shall be authorized and declared ratably in proportion to the respective amounts of dividends accumulated and unpaid on the Series G Preferred Stock and such Parity Stock.

(d) So long as any shares of Series G Preferred Stock are outstanding, no dividends (other than dividends or distributions paid solely in Junior Stock of, or in options, warrants or rights to subscribe for or purchase, Junior Stock) shall be authorized and declared or paid or set apart for payment or other distribution authorized and declared or made upon Junior Stock, nor shall any Junior Stock be redeemed, purchased or otherwise acquired (other than a redemption, purchase or other acquisition of Common Stock made for purposes of and in compliance with requirements of an employee incentive or benefit plan of the Corporation or any subsidiary, or a conversion into or exchange for Junior Stock or redemptions for the purpose of preserving the Corporation's qualification as a REIT (as defined in the Charter)), for any consideration (or any monies to be paid to or made available for a sinking fund for the redemption of any such shares) by the Corporation, directly or indirectly (except by conversion into or exchange for Junior Stock), unless in each case full cumulative dividends on all outstanding shares of Series G Preferred Stock and any Parity Stock at the time such dividends are payable shall have been paid or set apart for payment for all past dividend periods with respect to the Series G Preferred Stock and all past dividend periods with respect to such Parity Stock.

(e) Any dividend payment made on the Series G Preferred Stock, including any capital gains dividends, shall first be credited against the earliest accrued but unpaid dividend due with respect to such shares which remains payable.

(f) Except as provided herein, the Series G Preferred Stock shall not be entitled to participate in the earnings or assets of the Corporation.

(g) As used herein, the term "Business Day" shall mean any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in New York, New York are authorized or required by law, regulation or executive order to close.

(h) As used herein, the term "dividend" does not include dividends payable solely in shares of Junior Stock on Junior Stock, or in options, warrants or rights to holders of Junior Stock to subscribe for or purchase any Junior Stock.

(4) *Liquidation Preference.*

(a) In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, before any payment or distribution of the assets of the Corporation shall be made to or set apart for the holders of Junior Stock, the holders of the Series G Preferred Stock shall be entitled to receive \$25.00 per share (the "Liquidation Preference") plus an amount per share equal to all accrued and unpaid dividends (whether or not earned or declared) thereon to, but not including, the date of final distribution to such holders; but such holders of the Series G Preferred Stock shall not be entitled to any further payment. If, upon any such liquidation, dissolution or winding up of the Corporation, the assets of the Corporation, or proceeds thereof, distributable among the holders of the Series G Preferred Stock shall be insufficient to pay in full the preferential amount aforesaid and liquidating payments on any other Parity Stock, then such assets, or the proceeds thereof, shall be distributed among the holders of such Series G Preferred Stock and any such other Parity Stock

ratably in accordance with the respective amounts that would be payable on such Series G Preferred Stock and any such other Parity Stock if all amounts payable thereon were paid in full. For the purposes of this Section 4, none of (i) a consolidation or merger of the Corporation with one or more entities, (ii) a statutory stock exchange by the Corporation or (iii) a sale or transfer of all or substantially all of the Corporation's assets shall be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary, of the Corporation.

(b) Until payment shall have been made in full to the holders of the Series G Preferred Stock, as provided in this Section 4, and to the holders of Parity Stock, subject to any terms and provisions applying thereto, no payment will be made to any holder of Junior Stock upon the liquidation, dissolution or winding up of the Corporation. Subject to the rights of the holders of Parity Stock, upon any liquidation, dissolution or winding up of the Corporation, after payment shall have been made in full to the holders of the Series G Preferred Stock, as provided in this Section 4, any series or class or classes of Junior Stock shall, subject to any respective terms and provisions applying thereto, be entitled to receive any and all assets remaining to be paid or distributed, and the holders of the Series G Preferred Stock shall not be entitled to share therein.

(5) *Optional Redemption.*

(a) Except as otherwise permitted by the Charter and paragraph (b) below, the Series G Preferred Stock shall not be redeemable by the Corporation prior to June 19, 2019. On and after June 19, 2019, the Corporation, at its option, upon giving notice as provided below, may redeem the Series G Preferred Stock, in whole, at any time, or in part, from time to time, for cash at a redemption price of \$25.00 per share, plus any accrued and unpaid dividends on the Series G Preferred Stock (whether or not declared), to, but not including, the redemption date (the "Regular Redemption Right").

(b) Upon the occurrence of a Change of Control (as defined herein), the Corporation will have the option, upon giving notice as provided below, to redeem the Series G Preferred Stock, in whole, at any time, or in part, from time to time, within 120 days after the first date on which the Change of Control has occurred (the "Special Redemption Right"), for cash at a redemption price of \$25.00 per share, plus any accrued and unpaid dividends on the Series G Preferred Stock (whether or not declared), to, but not including, the redemption date (the "Special Redemption Price"). If the Corporation exercises its Special Redemption Right in connection with a Change of Control, holders of Series G Preferred Stock will not be permitted to exercise their Change of Control Conversion Right (as defined herein) in respect of any shares of Series G Preferred Stock that have been called for redemption, and any shares of Series G Preferred Stock subsequently called for redemption that have been tendered for conversion will be redeemed on the applicable date of redemption instead of converted on the Change of Control Conversion Date (as defined herein). Any partial redemption will be selected by lot or pro rata.

A “Change of Control” will be deemed to have occurred at such time after the original issuance of the Series G Preferred Stock when the following has occurred:

(i) the acquisition by any person, including any syndicate or group deemed to be a “person” under Section 13(d)(3) of the Exchange Act, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of shares of the Corporation entitling that person to exercise more than 50% of the total voting power of all shares of the Corporation entitled to vote generally in elections of directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and

(ii) following the closing of any transaction referred to in clause (i) above, neither the Corporation nor the acquiring or surviving entity has a class of common securities or American Depositary Receipts listed on the NYSE, the NYSE Amex Equities, or NYSE Amex, or NASDAQ, or listed on an exchange that is a successor to the NYSE, NYSE Amex or NASDAQ.

(c) The following provisions set forth the general procedures for redemption applicable to redemptions pursuant to the Regular Redemption Right and the Special Redemption Right:

(i) Upon any redemption date applicable to Series G Preferred Stock, the Corporation shall pay on each share of Series G Preferred Stock to be redeemed any accrued and unpaid dividends (whether or not declared), in arrears, for any dividend period ending on or prior to the redemption date. If a redemption date falls after a record date for a Series G Preferred Stock dividend payment and prior to the corresponding Series G Dividend Payment Date, then each holder of the Series G Preferred Stock at the close of business on such record date shall be entitled to the dividend payable on such Series G Preferred Stock on the corresponding Series G Dividend Payment Date notwithstanding the redemption of such Series G Preferred Stock prior to such Series G Dividend Payment Date. Except as provided above, the Corporation shall make no payment or allowance for unpaid dividends, whether or not in arrears, on any shares of Series G Preferred Stock called for redemption.

(ii) If full cumulative dividends on the Series G Preferred Stock and any class or classes of Parity Stock have not been paid or declared and set apart for payment, the Corporation may not purchase, redeem or otherwise acquire Series G Preferred Stock in part or any Parity Stock other than in exchange for Junior Stock; provided, however, that the foregoing shall not prevent the purchase by the Corporation of shares held in excess of the limits set forth in the Charter in order to ensure that the Corporation continues to meet the requirements for qualification as a REIT.

(iii) On and after the date fixed for redemption, provided that the Corporation has made available at the office of the registrar and transfer agent a sufficient amount of cash to effect the redemption, dividends will cease to accrue on the shares of Series G Preferred Stock called for redemption (except that, in the case of a redemption date after a dividend payment record date and prior to the related Series G Dividend Payment Date, holders of Series G Preferred Stock on the applicable dividend payment record date will be entitled on such Series G Dividend Payment Date to receive the dividend payable on such shares on the corresponding Series G Dividend Payment Date), such shares shall no longer be deemed to be outstanding and all rights of the holders of such shares as holders of Series G Preferred Stock shall cease except the right to receive the cash payable upon such redemption, without interest from the date of such redemption.

(d) The following provisions set forth the procedures for redemption, in addition to those general procedures set forth in Section 5(c) hereof, pursuant to the Regular Redemption Right.

(i) A notice of redemption (which may be contingent upon the occurrence of a future event) shall be mailed, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date, addressed to the holders of record of the Series G Preferred Stock at their addresses as they appear on the Corporation's stock transfer records. A failure to give such notice or any defect in the notice or in its mailing shall not affect the validity of the proceedings for the redemption of any shares of the Series G Preferred Stock except as to the holder to whom notice was defective or not given. In addition to any information required by law or by the applicable rules of any exchange upon which the Series G Preferred Stock may be listed or admitted to trading, each notice shall state: (A) the redemption date; (B) the redemption price; (C) the number of shares of Series G Preferred Stock to be redeemed and, if fewer than all the shares of Series G Preferred Stock held by such holder are to be redeemed, the number of such shares of Series G Preferred Stock to be redeemed from such holder; (D) the place or places where the certificates, if any, evidencing the shares of Series G Preferred Stock are to be surrendered for payment of the redemption price; and (E) that dividends on the shares to be redeemed will cease to accrue on such redemption date except as otherwise provided herein.

(ii) If fewer than all the outstanding shares of the Series G Preferred Stock are to be redeemed, the shares to be redeemed shall be selected by lot or pro rata (as nearly as practicable without creating fractional shares).

(iii) At its election, the Corporation, prior to a redemption date, may irrevocably deposit the redemption price (including accumulated and unpaid dividends to the redemption date) of the Series G Preferred Stock so called for redemption in trust for the holders thereof with a bank or trust company, in which case the redemption notice to holders of the Series G Preferred Stock to be redeemed shall (A) state the date of such deposit, (B) specify the office of such bank or trust company as the place of payment of the redemption price and (C) require such holders to surrender the certificates evidencing such shares at such place on or about the date fixed in such redemption notice (which may not be later than the redemption date) against payment of the redemption price (including all accumulated and unpaid dividends to the redemption date). Subject to applicable escheat laws, any monies so deposited which remain unclaimed by the holders of the Series G Preferred Stock at the end of two years after the redemption date shall be returned by such bank or trust company to the Corporation.

(e) The following provisions set forth the procedures for redemption, in addition to those general procedures set forth in Section 5(c) hereof, pursuant to the Special Redemption Right.

(i) A notice of special optional redemption will be mailed, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date, addressed to the holders of record of the Series G Preferred Stock at their addresses as they appear on the Corporation's stock transfer records. A failure to give such notice or any defect in the notice or in its mailing will not affect the validity of the proceedings for the special optional redemption of the shares of Series G Preferred Stock except as to the holder to whom notice was defective or not given. Each notice will state: (A) the redemption date; (B) the redemption price; (C) the number of shares of Series G Preferred Stock to be redeemed; (D) the place or places where

the certificates, if any, evidencing the shares of Series G Preferred Stock are to be surrendered for payment; (E) that the shares of Series G Preferred Stock are being redeemed pursuant to the Corporation's special optional redemption right in connection with the occurrence of a Change of Control and a brief description of the transaction or transactions constituting such Change of Control; (F) that the holders of shares of Series G Preferred Stock to which the notice relates will not be able to tender such shares of Series G Preferred Stock for conversion in connection with the Change of Control and each share of Series G Preferred Stock tendered for conversion that is selected for redemption, prior to the Change of Control Conversion Date, will be redeemed on the related date of redemption instead of converted on the Change of Control Conversion Date; and (G) that dividends on the shares to be redeemed will cease to accrue on such redemption date except as otherwise provided herein.

(ii) If fewer than all the shares of Series G Preferred Stock held by any holder are to be redeemed, the notice mailed to such holder will also specify the number of shares of Series G Preferred Stock to be redeemed from such holder. If fewer than all of the outstanding shares of Series G Preferred Stock are to be redeemed, the shares to be redeemed shall be selected by lot or pro rata.

(iii) On and after the date fixed for redemption, provided that the Corporation has given a notice of redemption and has paid or set aside sufficient funds for the redemption in trust for the benefit of the holders of shares of Series G Preferred Stock called for redemption, those shares of Series G Preferred Stock will be treated as no longer being outstanding, no further dividends will accrue on the share of Series G Preferred Stock called for redemption and all other rights of the holders of those shares of Series G Preferred Stock will terminate (except that, in the case of a redemption date after a dividend payment record date and prior to the related Series G Dividend Payment Date, holders of Series G Preferred Stock on the applicable record date will be entitled on such Series G Dividend Payment Date to receive the dividend payable on such shares on the corresponding Series G Dividend Payment Date). The holders of those shares of Series G Preferred Stock will retain their right to receive the redemption price for their shares and any accrued and unpaid dividends to (but not including) the redemption date, without interest from the date of such redemption.

(iv) At its election, the Corporation, prior to a redemption date, may irrevocably deposit the redemption price (including accumulated and unpaid dividends to the redemption date) of the Series G Preferred Stock so called for redemption in trust for the holders thereof with a bank or trust company, in which case the redemption notice to holders of the Series G Preferred Stock to be redeemed shall (A) state the date of such deposit, (B) specify the office of such bank or trust company as the place of payment of the redemption price and (C) require such holders to surrender the certificates evidencing such shares at such place on or about the date fixed in such redemption notice (which may not be later than the redemption date) against payment of the redemption price (including all accumulated and unpaid dividends to the redemption date). Subject to applicable escheat laws, any monies so deposited which remain unclaimed by the holders of the Series G Preferred Stock at the end of two years after the redemption date shall be returned by such bank or trust company to the Corporation.

(f) Any shares of Series G Preferred Stock that shall at any time have been redeemed shall, after such redemption, have the status of authorized but unissued Preferred Stock, without designation as to series until such shares are once more designated as part of a particular series by the Board.

(6) *Voting Rights.* Except as otherwise set forth herein, the Series G Preferred Stock shall not have any relative, participating, optional or other voting rights or powers, and the consent of the holders thereof shall not be required for the taking of any corporate action. In any matter in which the holders of Series G Preferred Stock are entitled to vote, each such holder shall have the right to one vote for each share of Series G Preferred Stock held by such holder.

(a) If and whenever six quarterly dividends (whether or not consecutive) payable on the Series G Preferred Stock are in arrears, whether or not earned or declared, the number of members then constituting the Board will be increased by two and the holders of Series G Preferred Stock, voting together as a class with the holders of any other series of Parity Stock upon which like voting rights have been conferred and are exercisable (any such other series, the "Voting Preferred Stock"), will have the right to elect two additional directors of the Corporation (the "Preferred Stock Directors") at an annual meeting of stockholders or a properly called special meeting of the holders of the Series G Preferred Stock and such Voting Preferred Stock and at each subsequent annual meeting of stockholders until all such dividends and dividends for the then current quarterly period on the Series G Preferred Stock and such other Voting Preferred Stock have been paid or declared and set aside for payment. Whenever all arrears in dividends on the Series G Preferred Stock and the Voting Preferred Stock then outstanding have been paid and full dividends on the Series G Preferred Stock and the Voting Preferred Stock for the then current quarterly dividend period have been paid in full or declared and set apart for payment in full, then the right of the holders of the Series G Preferred Stock and the Voting Preferred Stock to elect the two Preferred Stock Directors will cease, the terms of office of the Preferred Stock Directors will forthwith terminate and the number of members of the Board will be reduced accordingly; provided, however, that the right of the holders of the Series G Preferred Stock and the Voting Preferred Stock to elect the Preferred Stock Directors will again vest if and whenever six quarterly dividends are in arrears, as described above. In no event shall the holders of Series G Preferred Stock be entitled pursuant to these voting rights to elect a director that would cause the Corporation to fail to satisfy a requirement relating to director independence of any national securities exchange on which any class or series of the Corporation's stock is listed. In class votes with other Voting Preferred Stock, preferred stock of different series shall vote in proportion to the liquidation preference of the preferred stock.

(b) So long as any shares of Series G Preferred Stock are outstanding, the approval of two-thirds of the votes entitled to be cast by the holders of outstanding Series G Preferred Stock, voting separately as a class, either at a meeting of stockholders or by written consent, is required (i) to amend, alter or repeal any provisions of the Charter (including these Articles Supplementary), whether by merger, consolidation or otherwise, to affect materially and adversely the voting powers, rights or preferences of the holders of the Series G Preferred Stock, unless in connection with any such amendment, alteration or repeal, the Series G Preferred Stock remains outstanding without the terms thereof being materially changed in any respect adverse to the holders thereof or is converted into or exchanged for preferred stock of the surviving entity having preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption

thereof that are substantially similar to those of the Series G Preferred Stock, or (ii) to authorize, create, or increase the authorized amount of any class or series of capital stock having rights senior to the Series G Preferred Stock with respect to the payment of dividends or amounts upon liquidation, dissolution or winding up (provided that if such amendment affects materially and adversely the rights, preferences, privileges or voting powers of one or more but not all of the other series of Voting Preferred Stock, the consent of the holders of at least two-thirds of the outstanding shares of each such series so affected is required). However, the Corporation may create additional classes of Parity Stock and Junior Stock, amend the Charter and these Articles Supplementary to increase the authorized number of shares of Parity Stock (including the Series G Preferred Stock) and Junior Stock and issue additional series of Parity Stock and Junior Stock without the consent of any holder of Series G Preferred Stock.

(c) The foregoing voting provisions shall not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding Series G Preferred Stock shall have been redeemed or called for redemption upon proper notice and sufficient funds shall have been deposited in trust to effect such redemption.

(7) *Information Rights.* During any period in which the Corporation is not subject to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and any shares of Series G Preferred Stock are outstanding, the Corporation will (i) transmit by mail (or other permissible means under the Exchange Act) to all holders of Series G Preferred Stock, as their names and addresses appear in the record books of the Corporation and without cost to such holders, copies of the annual reports on Form 10-K and quarterly reports on Form 10-Q that the Corporation would have been required to file with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Exchange Act if the Corporation were subject thereto (other than any exhibits that would have been required) and (ii) promptly, upon request, supply copies of such reports to any prospective holder of Series G Preferred Stock. The Corporation will mail (or otherwise provide) the information to the holders of Series G Preferred Stock within 15 days after the respective dates by which a periodic report on Form 10-K or Form 10-Q, as the case may be, in respect of such information would have been required to be filed with the Securities and Exchange Commission if the Corporation were subject to Section 13 or 15(d) of the Exchange Act, in each case, based on the dates on which the Corporation would be required to file such periodic reports if the Corporation were a "non-accelerated filer" within the meaning of the Exchange Act.

(8) *Other Limitations; Ownership and Transfer of the Series G Preferred Stock.* The Series G Preferred Stock constitutes Capital Stock (as defined in the Charter) of the Corporation and is governed by and issued subject to all the ownership and transfer restrictions of the Charter applicable to Capital Stock generally, including but not limited to the terms and conditions (including exceptions and exemptions) of Article VII of the Charter applicable to Capital Stock. The foregoing sentence shall not be construed to limit the applicability to the Series G Preferred Stock of any other term or provision of the Charter.

(9) *Conversion Upon a Change of Control.* The Series G Preferred Stock is not convertible into or exchangeable for any other property or securities of the Corporation, except as provided in this Section 9.

(a) Upon the occurrence of a Change of Control, each holder of Series G Preferred Stock will have the right, subject to the Special Redemption Right of the Corporation, to convert some or all of the shares of Series G Preferred Stock held by such holder (the “Change of Control Conversion Right”) on the relevant Change of Control Conversion Date (as defined herein) into a number of shares of Class A Common Stock (as defined in the Charter) per share of Series G Preferred Stock (the “Common Stock Conversion Consideration”) equal to the lesser of (A) the quotient obtained by dividing (i) the sum of (x) \$25.00, plus (y) an amount equal to any accrued and unpaid dividends (whether or not declared) to, but not including, the Change of Control Conversion Date (as defined herein), except if such Change of Control Conversion Date is after a record date for a Series G Preferred Stock dividend payment and prior to the corresponding Series G Dividend Payment Date, in which case the amount pursuant to this clause (i)(y) shall equal \$0.00 in respect of such dividend payment to be made on such Series G Dividend Payment Date, by (ii) the Common Stock Price (as defined herein) (such quotient, the “Conversion Rate”), and (B) 3.2936 (the “Share Cap”), subject to the immediately succeeding paragraph.

The Share Cap is subject to pro rata adjustments for any share splits (including those effected pursuant to a Class A Common Stock dividend), subdivisions or combinations (in each case, a “Share Split”) with respect to Class A Common Stock as follows: the adjusted Share Cap as the result of a Share Split shall be the number of shares of Class A Common Stock that is equivalent to the product of (i) the Share Cap in effect immediately prior to such Share Split multiplied by (ii) a fraction, the numerator of which is the number of shares of Class A Common Stock outstanding after giving effect to such Share Split and the denominator of which is the number of shares of Class A Common Stock outstanding immediately prior to such Share Split.

For the avoidance of doubt, subject to the immediately succeeding sentence, the aggregate number of shares of Class A Common Stock (or equivalent Alternative Conversion Consideration (as defined herein), as applicable) issuable in connection with the exercise of the Change of Control Conversion Right shall not exceed 9,880,809 shares of Class A Common Stock (or equivalent Alternative Conversion Consideration, as applicable), subject to increase to the extent the underwriters’ over-allotment option to purchase additional Series G Preferred Stock in the initial public offering of Series G Preferred Stock is exercised, not to exceed 11,362,931 shares of Class A Common Stock in total (or equivalent Alternative Conversion Consideration, as applicable) (the “Exchange Cap”). The Exchange Cap is subject to pro rata adjustments for any Share Splits with respect to Class A Common Stock as follows: the adjusted Exchange Cap as the result of a Share Split will be the number of shares of Class A Common Stock that is equivalent to the product of (i) the Exchange Cap in effect immediately prior to such Share Split multiplied by (ii) a fraction, the numerator of which is the number of shares of Class A Common Stock outstanding after giving effect to such Share Split and the denominator of which is the number of shares of Class A Common Stock outstanding immediately prior to such Share Split.

In the case of a Change of Control as a result of which holders of Class A Common Stock are entitled to receive consideration other than solely shares of Class A Common Stock, including other securities, other property or assets (including cash or any combination thereof) with respect to or in exchange for shares of Class A Common Stock (the “Alternative Form Consideration”), a holder of Series G Preferred Stock shall be entitled thereafter to convert (subject to the Corporation’s Special Redemption Right) such Series G Preferred Stock not into Class A Common Stock but solely into the kind and amount of Alternative Form Consideration

which the holder of Series G Preferred Stock would have owned or been entitled to receive upon such Change of Control as if such holder of Series G Preferred Stock then held the Common Stock Conversion Consideration immediately prior to the effective time of the Change of Control (the "Alternative Conversion Consideration," and the Common Stock Conversion Consideration or the Alternative Conversion Consideration, as may be applicable to a Change of Control, shall be referred to herein as the "Conversion Consideration").

If the holders of Class A Common Stock have the opportunity to elect the form of consideration to be received in such Change of Control, the Conversion Consideration will be deemed to be the kind and amount of consideration actually received by holders of a majority of Class A Common Stock that voted for such an election (if electing between two types of consideration) or holders of a plurality of Class A Common Stock that voted for such an election (if electing between more than two types of consideration), as the case may be.

As used herein, "Common Stock Price" will mean (i) if the consideration to be received in the Change of Control by holders of shares of Class A Common Stock is solely cash, the amount of cash consideration per share of Class A Common Stock, (ii) if the consideration to be received in the Change of Control by holders of Class A Common Stock is other than solely cash, the average of the closing price per share of Class A Common Stock on the ten consecutive trading days immediately preceding, but not including, the effective date of the Change of Control, and (iii) if there is not a readily determinable closing price for the Class A Common Stock or Alternative Form Consideration (as defined herein), the fair market value of Class A Common Stock or such Alternative Form Consideration (as determined by the Board or a committee thereof).

(b) No fractional shares of Class A Common Stock shall be issued upon the conversion of Series G Preferred Stock. In lieu of fractional shares, holders shall be entitled to receive the cash value of such fractional shares based on the Common Stock Price.

(c) Within 15 days following the occurrence of a Change of Control, the Corporation shall provide to holders of Series G Preferred Stock a notice of occurrence of the Change of Control that describes the resulting Change of Control Conversion Right. A failure to give such notice or any defect in the notice or in its mailing shall not affect the validity of the proceedings for the conversion of any Series G Preferred Stock except as to the holder to whom notice was defective or not given. Each notice shall state the following: (i) the events constituting the Change of Control; (ii) the date of the Change of Control; (iii) the last date on which the holders of Series G Preferred Stock may exercise their Change of Control Conversion Right, which shall be the Change of Control Conversion Date; (iv) the method and period for calculating the Common Stock Price; (v) the Change of Control Conversion Date, which will be a business day occurring within 20 to 35 days following the date of the notice; (vi) if applicable, the type and amount of Alternative Conversion Consideration entitled to be received per share of Series G Preferred Stock; (vii) the name and address of the paying agent and the conversion agent; and (viii) the procedures that the holders of Series G Preferred Stock must follow to exercise the Change of Control Conversion Right.

(d) The Corporation shall issue a press release for publication on the Dow Jones & Company, Inc., Business Wire, PR Newswire or Bloomberg Business News (or, if such organizations are not in existence at the time of issuance of such press release, such other news or press organization as is reasonably calculated to broadly disseminate the relevant information to the public), or post notice on the Corporation's website, in any event prior to the opening of business on the first Business Day following any date on which the Corporation provides notice pursuant to paragraph (c) above to the holders of Series G Preferred Stock.

(e) In order to exercise the Change of Control Conversion Right, a holder of Series G Preferred Stock shall be required to deliver, on or before the close of business on the Change of Control Conversion Date, the certificates (if any) evidencing the shares of Series G Preferred Stock to be converted, duly endorsed for transfer, together with a written conversion notice completed, to the transfer agent. Such conversion notice shall state: (i) the relevant Change of Control Conversion Date; (ii) the number of shares of Series G Preferred Stock to be converted; and (iii) that the shares of Series G Preferred Stock are to be converted pursuant to the applicable provisions of the Series G Preferred Stock. Notwithstanding the foregoing, if the shares of Series G Preferred Stock are held in global form, such notice shall comply with applicable procedures of the Depository Trust Company ("DTC"). The "Change of Control Conversion Date" shall be a Business Day set forth in the notice of Change of Control provided in accordance with paragraph 9(c) hereof that is no less than 20 days nor more than 35 days after the date on which the Corporation gives such notice pursuant to paragraph 9(c) hereof.

(f) Holders of Series G Preferred Stock may withdraw any notice of exercise of a Change of Control Conversion Right (in whole or in part) by a written notice of withdrawal delivered to the Corporation's transfer agent prior to the close of business on the Business Day prior to the Change of Control Conversion Date. The notice of withdrawal must state: (i) the number of withdrawn shares of Series G Preferred Stock; (ii) if certificated shares of Series G Preferred Stock have been issued, the certificate numbers of the withdrawn shares of Series G Preferred Stock; and (iii) the number of shares of Series G Preferred Stock, if any, which remain subject to the conversion notice. Notwithstanding the foregoing, if the shares of Series G Preferred Stock are held in global form, the notice of withdrawal shall comply with applicable DTC procedures.

(g) Series G Preferred Stock as to which the Change of Control Conversion Right has been properly exercised and for which the conversion notice has not been properly withdrawn shall be converted into the applicable Conversion Consideration in accordance with the Change of Control Conversion Right on the Change of Control Conversion Date.

(h) In connection with the exercise of any Change of Control Conversion Right, the Corporation will comply with all U.S. federal and state securities laws and stock exchange rules in connection with any conversion of Series G Preferred Stock into Class A Common Stock. Notwithstanding anything to the contrary contained herein, no holder of Series G Preferred Stock will be entitled to convert such Series G Preferred Stock for Class A Common Stock to the extent that receipt of such Class A Common Stock would cause such holder (or any other person) to Beneficially Own or Constructively Own, within the meaning of the Charter, Common Stock of the Corporation in excess of the Common Stock Ownership Limit, as such term is defined in the Charter.

(10) *Record Holders.* The Corporation and the transfer agent for the Series G Preferred Stock may deem and treat the record holder of any Series G Preferred Stock as the true and lawful owner thereof for all purposes, and neither the Corporation nor the transfer agent shall be affected by any notice to the contrary.

EXHIBIT H
SERIES H PREFERRED STOCK

Under a power contained in the charter (the "Charter") of Colony NorthStar, Inc., a Maryland corporation (the "Corporation"), the Board of Directors of the Corporation (the "Board") classified and designated 11,500,000 shares of the Preferred Stock (as defined in the Charter), as shares of 7.125% Series H Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share, with the following preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption set forth below, which upon any restatement of the Charter, shall be deemed to be part of Article VI of the Charter, with any necessary or appropriate changes to the enumeration or lettering of sections or subsections hereof:

7.125% Series H Cumulative Redeemable Perpetual Preferred Stock

(1) *Designation and Number.* A series of Preferred Stock, designated as the "7.125% Series H Cumulative Redeemable Perpetual Preferred Stock" (the "Series H Preferred Stock"), is hereby established. The par value of the Series H Preferred Stock is \$0.01 per share. The number of shares of the Series H Preferred Stock shall be 11,500,000.

(2) *Ranking.* The Series H Preferred Stock will, with respect to rights to receive dividends and to participate in distributions or payments upon liquidation, dissolution or winding up of the Corporation, rank (a) senior to the Common Stock (as defined in the Charter) and any other class of capital stock of the Corporation, now or hereafter issued and outstanding, the terms of which provide that such capital stock ranks, as to the payment of dividends or amounts upon liquidation, dissolution or winding up of the Corporation, junior to such Series H Preferred Stock ("Junior Stock"), (b) on a parity with the 8.75% Series A Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share, the 8.25% Series B Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share, the 8.875% Series C Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share, the 8.500% Series D Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share, the 8.75% Series E Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share, the 8.50% Series F Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share, and the 7.50% Series G Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share and any equity securities the Corporation may authorize or issue in the future that, pursuant to the terms thereof, rank on parity with the Series H Preferred Stock with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation ("Parity Stock"); and (c) junior to any equity securities the Corporation may authorize or issue in the future that, pursuant to the terms thereof, rank senior to the Series H Preferred Stock with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation ("Senior Stock"). Any authorization or issuance of Senior Stock would require the affirmative vote of the holders of at least two-thirds of the outstanding shares of Series H Preferred Stock voting together as a single class with all other classes or series of Parity Stock upon which like voting rights have been conferred and are exercisable. Any convertible or exchangeable debt securities that the Corporation may issue are not considered to be equity securities for these purposes.

(3) *Dividends.*

(a) Holders of the then outstanding shares of Series H Preferred Stock shall be entitled to receive, when, as and if authorized by the Board and declared by the Corporation, out of funds legally available for payment of dividends, cumulative cash dividends at the rate of 7.125% per annum of the \$25.00 liquidation preference of each share of Series H Preferred Stock (equivalent to \$1.78125 per annum per share).

(b) Dividends on each outstanding share of Series H Preferred Stock shall be cumulative from and including January 15, 2017 and shall be payable (i) for the period from January 15, 2017 to April 14, 2017, on April 15, 2017, and (ii) for each quarterly distribution period thereafter, quarterly in equal amounts in arrears on the 15th day of each January, April, July and October, commencing on July 15, 2017 (each such day being hereinafter called a "Series H Dividend Payment Date") at the then applicable annual rate; provided, however, that if any Series H Dividend Payment Date falls on any day other than a Business Day (as hereinafter defined), the dividend that would otherwise have been payable on such Series H Dividend Payment Date may be paid on the next succeeding Business Day with the same force and effect as if paid on such Series H Dividend Payment Date, and no interest or other sums shall accrue on the amount so payable from such Series H Dividend Payment Date to such next succeeding Business Day. Each dividend is payable to holders of record as they appear on the stock records of the Corporation at the close of business on the record date, not exceeding 30 days preceding the applicable Series H Dividend Payment Date, as shall be fixed by the Board. Dividends shall accumulate from January 15, 2017 or the most recent Series H Dividend Payment Date to which full cumulative dividends have been paid, whether or not in any such dividend period or periods there shall be funds legally available for the payment of such dividends, whether the Corporation has earnings or whether such dividends are authorized. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on the Series H Preferred Stock that may be in arrears. Holders of the Series H Preferred Stock shall not be entitled to any dividends, whether payable in cash, property or stock, in excess of full cumulative dividends, as herein provided, on the Series H Preferred Stock. Dividends payable on the Series H Preferred Stock for any period greater or less than a full dividend period will be computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends payable on the Series H Preferred Stock for each full dividend period will be computed by dividing the applicable annual dividend rate by four. After full cumulative distributions on the Series H Preferred Stock have been paid, the holders of Series H Preferred Stock will not be entitled to any further distributions with respect to that dividend period.

(c) So long as any shares of Series H Preferred Stock are outstanding, no dividends, except as described in the immediately following sentence, shall be authorized and declared or paid or set apart for payment on any series or class or classes of Parity Stock for any period unless full cumulative dividends have been declared and paid or are contemporaneously declared and paid or declared and a sum sufficient for the payment thereof set apart for such payment on the Series H Preferred Stock for all prior dividend periods. When dividends are not paid in full or a sum sufficient for such payment is not set apart, as aforesaid, all dividends authorized and declared upon the Series H Preferred Stock and all dividends authorized and declared upon any other series or class or classes of Parity Stock shall be authorized and declared ratably in proportion to the respective amounts of dividends accumulated and unpaid on the Series H Preferred Stock and such Parity Stock.

(d) So long as any shares of Series H Preferred Stock are outstanding, no dividends (other than dividends or distributions paid solely in Junior Stock of, or in options, warrants or rights to subscribe for or purchase, Junior Stock) shall be authorized and declared or paid or set apart for payment or other distribution authorized and declared or made upon Junior Stock, nor shall any Junior Stock be redeemed, purchased or otherwise acquired (other than a redemption, purchase or other acquisition of Common Stock made for purposes of and in compliance with requirements of an employee incentive or benefit plan of the Corporation or any subsidiary, or a conversion into or exchange for Junior Stock or redemptions for the purpose of preserving the Corporation's qualification as a REIT (as defined in the Charter)), for any consideration (or any monies to be paid to or made available for a sinking fund for the redemption of any such shares) by the Corporation, directly or indirectly (except by conversion into or exchange for Junior Stock), unless in each case full cumulative dividends on all outstanding shares of Series H Preferred Stock and any Parity Stock at the time such dividends are payable shall have been paid or set apart for payment for all past dividend periods with respect to the Series H Preferred Stock and all past dividend periods with respect to such Parity Stock.

(e) Any dividend payment made on the Series H Preferred Stock, including any capital gains dividends, shall first be credited against the earliest accrued but unpaid dividend due with respect to such shares which remains payable.

(f) Except as provided herein, the Series H Preferred Stock shall not be entitled to participate in the earnings or assets of the Corporation.

(g) As used herein, the term "Business Day" shall mean any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in New York, New York are authorized or required by law, regulation or executive order to close.

(h) As used herein, the term "dividend" does not include dividends payable solely in shares of Junior Stock on Junior Stock, or in options, warrants or rights to holders of Junior Stock to subscribe for or purchase any Junior Stock.

(4) *Liquidation Preference.*

(a) In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, before any payment or distribution of the assets of the Corporation shall be made to or set apart for the holders of Junior Stock, the holders of the Series H Preferred Stock shall be entitled to receive \$25.00 per share (the "Liquidation Preference") plus an amount per share equal to all accrued and unpaid dividends (whether or not earned or declared) thereon to, but not including, the date of final distribution to such holders; but such holders of the Series H Preferred Stock shall not be entitled to any further payment. If, upon any such liquidation, dissolution or winding up of the Corporation, the assets of the Corporation, or proceeds thereof, distributable among the holders of the Series H Preferred Stock shall be insufficient to pay in full the preferential amount aforesaid and liquidating payments on any other Parity Stock, then such assets, or the proceeds thereof, shall be distributed among the holders of such Series H Preferred Stock and any such other Parity Stock ratably in accordance

with the respective amounts that would be payable on such Series H Preferred Stock and any such other Parity Stock if all amounts payable thereon were paid in full. For the purposes of this Section 4, none of (i) a consolidation or merger of the Corporation with one or more entities, (ii) a statutory stock exchange by the Corporation or (iii) a sale or transfer of all or substantially all of the Corporation's assets shall be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary, of the Corporation.

(b) Until payment shall have been made in full to the holders of the Series H Preferred Stock, as provided in this Section 4, and to the holders of Parity Stock, subject to any terms and provisions applying thereto, no payment will be made to any holder of Junior Stock upon the liquidation, dissolution or winding up of the Corporation. Subject to the rights of the holders of Parity Stock, upon any liquidation, dissolution or winding up of the Corporation, after payment shall have been made in full to the holders of the Series H Preferred Stock, as provided in this Section 4, any series or class or classes of Junior Stock shall, subject to any respective terms and provisions applying thereto, be entitled to receive any and all assets remaining to be paid or distributed, and the holders of the Series H Preferred Stock shall not be entitled to share therein.

(5) *Optional Redemption.*

(a) Except as otherwise permitted by the Charter and paragraph (b) below, the Series H Preferred Stock shall not be redeemable by the Corporation prior to April 13, 2020. On and after April 13, 2020, the Corporation, at its option, upon giving notice as provided below, may redeem the Series H Preferred Stock, in whole, at any time, or in part, from time to time, for cash at a redemption price of \$25.00 per share, plus any accrued and unpaid dividends on the Series H Preferred Stock (whether or not declared), to, but not including, the redemption date (the "Regular Redemption Right").

(b) Upon the occurrence of a Change of Control (as defined herein), the Corporation will have the option, upon giving notice as provided below, to redeem the Series H Preferred Stock, in whole, at any time, or in part, from time to time, within 120 days after the first date on which the Change of Control has occurred (the "Special Redemption Right"), for cash at a redemption price of \$25.00 per share, plus any accrued and unpaid dividends on the Series H Preferred Stock (whether or not declared), to, but not including, the redemption date (the "Special Redemption Price"). If the Corporation exercises its Special Redemption Right in connection with a Change of Control, holders of Series H Preferred Stock will not be permitted to exercise their Change of Control Conversion Right (as defined herein) in respect of any shares of Series H Preferred Stock that have been called for redemption, and any shares of Series H Preferred Stock subsequently called for redemption that have been tendered for conversion will be redeemed on the applicable date of redemption instead of converted on the Change of Control Conversion Date (as defined herein). Any partial redemption will be selected by lot or pro rata.

A "Change of Control" will be deemed to have occurred at such time after the original issuance of the Series H Preferred Stock when the following has occurred:

- (i) the acquisition by any person, including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Exchange Act, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of

purchases, mergers or other acquisition transactions of shares of the Corporation entitling that person to exercise more than 50% of the total voting power of all shares of the Corporation entitled to vote generally in elections of directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and

(ii) following the closing of any transaction referred to in clause (i) above, neither the Corporation nor the acquiring or surviving entity has a class of common securities or American Depositary Receipts listed on the NYSE, the NYSE Amex Equities, or NYSE Amex, or NASDAQ, or listed on an exchange that is a successor to the NYSE, NYSE Amex or NASDAQ.

(c) The following provisions set forth the general procedures for redemption applicable to redemptions pursuant to the Regular Redemption Right and the Special Redemption Right:

(i) Upon any redemption date applicable to Series H Preferred Stock, the Corporation shall pay on each share of Series H Preferred Stock to be redeemed any accrued and unpaid dividends (whether or not declared), in arrears, for any dividend period ending on or prior to the redemption date. If a redemption date falls after a record date for a Series H Preferred Stock dividend payment and prior to the corresponding Series H Dividend Payment Date, then each holder of the Series H Preferred Stock at the close of business on such record date shall be entitled to the dividend payable on such Series H Preferred Stock on the corresponding Series H Dividend Payment Date notwithstanding the redemption of such Series H Preferred Stock prior to such Series H Dividend Payment Date. Except as provided above, the Corporation shall make no payment or allowance for unpaid dividends, whether or not in arrears, on any shares of Series H Preferred Stock called for redemption.

(ii) If full cumulative dividends on the Series H Preferred Stock and any class or classes of Parity Stock have not been paid or declared and set apart for payment, the Corporation may not purchase, redeem or otherwise acquire Series H Preferred Stock in part or any Parity Stock other than in exchange for Junior Stock; provided, however, that the foregoing shall not prevent the purchase by the Corporation of shares held in excess of the limits set forth in the Charter in order to ensure that the Corporation continues to meet the requirements for qualification as a REIT.

(iii) On and after the date fixed for redemption, provided that the Corporation has made available at the office of the registrar and transfer agent a sufficient amount of cash to effect the redemption, dividends will cease to accrue on the shares of Series H Preferred Stock called for redemption (except that, in the case of a redemption date after a dividend payment record date and prior to the related Series H Dividend Payment Date, holders of Series H Preferred Stock on the applicable dividend payment record date will be entitled on such Series H Dividend Payment Date to receive the dividend payable on such shares on the corresponding Series H Dividend Payment Date), such shares shall no longer be deemed to be outstanding and all rights of the holders of such shares as holders of Series H Preferred Stock shall cease except the right to receive the cash payable upon such redemption, without interest from the date of such redemption.

(d) The following provisions set forth the procedures for redemption, in addition to those general procedures set forth in Section 5(c) hereof, pursuant to the Regular Redemption Right.

(i) A notice of redemption (which may be contingent upon the occurrence of a future event) shall be mailed, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date, addressed to the holders of record of the Series H Preferred Stock at their addresses as they appear on the Corporation's stock transfer records. A failure to give such notice or any defect in the notice or in its mailing shall not affect the validity of the proceedings for the redemption of any shares of the Series H Preferred Stock except as to the holder to whom notice was defective or not given. In addition to any information required by law or by the applicable rules of any exchange upon which the Series H Preferred Stock may be listed or admitted to trading, each notice shall state: (A) the redemption date; (B) the redemption price; (C) the number of shares of Series H Preferred Stock to be redeemed and, if fewer than all the shares of Series H Preferred Stock held by such holder are to be redeemed, the number of such shares of Series H Preferred Stock to be redeemed from such holder; (D) the place or places where the certificates, if any, evidencing the shares of Series H Preferred Stock are to be surrendered for payment of the redemption price; and (E) that dividends on the shares to be redeemed will cease to accrue on such redemption date except as otherwise provided herein.

(ii) If fewer than all the outstanding shares of the Series H Preferred Stock are to be redeemed, the shares to be redeemed shall be selected by lot or pro rata (as nearly as practicable without creating fractional shares).

(iii) At its election, the Corporation, prior to a redemption date, may irrevocably deposit the redemption price (including accumulated and unpaid dividends to the redemption date) of the Series H Preferred Stock so called for redemption in trust for the holders thereof with a bank or trust company, in which case the redemption notice to holders of the Series H Preferred Stock to be redeemed shall (A) state the date of such deposit, (B) specify the office of such bank or trust company as the place of payment of the redemption price and (C) require such holders to surrender the certificates evidencing such shares at such place on or about the date fixed in such redemption notice (which may not be later than the redemption date) against payment of the redemption price (including all accumulated and unpaid dividends to the redemption date). Subject to applicable escheat laws, any monies so deposited which remain unclaimed by the holders of the Series H Preferred Stock at the end of two years after the redemption date shall be returned by such bank or trust company to the Corporation.

(e) The following provisions set forth the procedures for redemption, in addition to those general procedures set forth in Section 5(c) hereof, pursuant to the Special Redemption Right.

(i) A notice of special optional redemption will be mailed, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date, addressed to the holders of record of the Series H Preferred Stock at their addresses as they appear on the Corporation's stock transfer records. A failure to give such notice or any defect in the notice or in its mailing will not affect the validity of the proceedings for the special optional redemption of the shares of Series H Preferred Stock except as to the holder to whom notice was defective or not given. Each notice will state: (A) the redemption date; (B) the redemption price; (C) the

number of shares of Series H Preferred Stock to be redeemed; (D) the place or places where the certificates, if any, evidencing the shares of Series H Preferred Stock are to be surrendered for payment; (E) that the shares of Series H Preferred Stock are being redeemed pursuant to the Corporation's special optional redemption right in connection with the occurrence of a Change of Control and a brief description of the transaction or transactions constituting such Change of Control; (F) that the holders of shares of Series H Preferred Stock to which the notice relates will not be able to tender such shares of Series H Preferred Stock for conversion in connection with the Change of Control and each share of Series H Preferred Stock tendered for conversion that is selected for redemption, prior to the Change of Control Conversion Date, will be redeemed on the related date of redemption instead of converted on the Change of Control Conversion Date; and (G) that dividends on the shares to be redeemed will cease to accrue on such redemption date except as otherwise provided herein.

(ii) If fewer than all the shares of Series H Preferred Stock held by any holder are to be redeemed, the notice mailed to such holder will also specify the number of shares of Series H Preferred Stock to be redeemed from such holder. If fewer than all of the outstanding shares of Series H Preferred Stock are to be redeemed, the shares to be redeemed shall be selected by lot or pro rata.

(iii) On and after the date fixed for redemption, provided that the Corporation has given a notice of redemption and has paid or set aside sufficient funds for the redemption in trust for the benefit of the holders of shares of Series H Preferred Stock called for redemption, those shares of Series H Preferred Stock will be treated as no longer being outstanding, no further dividends will accrue on the share of Series H Preferred Stock called for redemption and all other rights of the holders of those shares of Series H Preferred Stock will terminate (except that, in the case of a redemption date after a dividend payment record date and prior to the related Series H Dividend Payment Date, holders of Series H Preferred Stock on the applicable record date will be entitled on such Series H Dividend Payment Date to receive the dividend payable on such shares on the corresponding Series H Dividend Payment Date). The holders of those shares of Series H Preferred Stock will retain their right to receive the redemption price for their shares and any accrued and unpaid dividends to (but not including) the redemption date, without interest from the date of such redemption.

(iv) At its election, the Corporation, prior to a redemption date, may irrevocably deposit the redemption price (including accumulated and unpaid dividends to the redemption date) of the Series H Preferred Stock so called for redemption in trust for the holders thereof with a bank or trust company, in which case the redemption notice to holders of the Series H Preferred Stock to be redeemed shall (A) state the date of such deposit, (B) specify the office of such bank or trust company as the place of payment of the redemption price and (C) require such holders to surrender the certificates evidencing such shares at such place on or about the date fixed in such redemption notice (which may not be later than the redemption date) against payment of the redemption price (including all accumulated and unpaid dividends to the redemption date). Subject to applicable escheat laws, any monies so deposited which remain unclaimed by the holders of the Series H Preferred Stock at the end of two years after the redemption date shall be returned by such bank or trust company to the Corporation.

(f) Any shares of Series H Preferred Stock that shall at any time have been redeemed shall, after such redemption, have the status of authorized but unissued Preferred Stock, without designation as to series until such shares are once more designated as part of a particular series by the Board.

(6) *Voting Rights.* Except as otherwise set forth herein, the Series H Preferred Stock shall not have any relative, participating, optional or other voting rights or powers, and the consent of the holders thereof shall not be required for the taking of any corporate action. In any matter in which the holders of Series H Preferred Stock are entitled to vote, each such holder shall have the right to one vote for each share of Series H Preferred Stock held by such holder.

(a) If and whenever six quarterly dividends (whether or not consecutive) payable on the Series H Preferred Stock are in arrears, whether or not earned or declared, the number of members then constituting the Board will be increased by two and the holders of Series H Preferred Stock, voting together as a class with the holders of any other series of Parity Stock upon which like voting rights have been conferred and are exercisable (any such other series, the "Voting Preferred Stock"), will have the right to elect two additional directors of the Corporation (the "Preferred Stock Directors") at an annual meeting of stockholders or a properly called special meeting of the holders of the Series H Preferred Stock and such Voting Preferred Stock and at each subsequent annual meeting of stockholders until all such dividends and dividends for the then current quarterly period on the Series H Preferred Stock and such other Voting Preferred Stock have been paid or declared and set aside for payment. Whenever all arrears in dividends on the Series H Preferred Stock and the Voting Preferred Stock then outstanding have been paid and full dividends on the Series H Preferred Stock and the Voting Preferred Stock for the then current quarterly dividend period have been paid in full or declared and set apart for payment in full, then the right of the holders of the Series H Preferred Stock and the Voting Preferred Stock to elect the two Preferred Stock Directors will cease, the terms of office of the Preferred Stock Directors will forthwith terminate and the number of members of the Board will be reduced accordingly; provided, however, that the right of the holders of the Series H Preferred Stock and the Voting Preferred Stock to elect the Preferred Stock Directors will again vest if and whenever six quarterly dividends are in arrears, as described above. In no event shall the holders of Series H Preferred Stock be entitled pursuant to these voting rights to elect a director that would cause the Corporation to fail to satisfy a requirement relating to director independence of any national securities exchange on which any class or series of the Corporation's stock is listed. In class votes with other Voting Preferred Stock, preferred stock of different series shall vote in proportion to the liquidation preference of the preferred stock.

(b) So long as any shares of Series H Preferred Stock are outstanding, the approval of two-thirds of the votes entitled to be cast by the holders of outstanding Series H Preferred Stock, voting separately as a class, either at a meeting of stockholders or by written consent, is required (i) to amend, alter or repeal any provisions of the Charter (including these Articles Supplementary), whether by merger, consolidation or otherwise, to affect materially and adversely the voting powers, rights or preferences of the holders of the Series H Preferred Stock, unless in connection with any such amendment, alteration or repeal, the Series H Preferred Stock remains outstanding without the terms thereof being materially changed in any respect adverse to the holders thereof or is converted into or exchanged for preferred stock of

the surviving entity having preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption thereof that are substantially similar to those of the Series H Preferred Stock, or (ii) to authorize, create, or increase the authorized amount of any class or series of capital stock having rights senior to the Series H Preferred Stock with respect to the payment of dividends or amounts upon liquidation, dissolution or winding up (provided that if such amendment affects materially and adversely the rights, preferences, privileges or voting powers of one or more but not all of the other series of Voting Preferred Stock, the consent of the holders of at least two-thirds of the outstanding shares of each such series so affected is required). However, the Corporation may create additional classes of Parity Stock and Junior Stock, amend the Charter and these Articles Supplementary to increase the authorized number of shares of Parity Stock (including the Series H Preferred Stock) and Junior Stock and issue additional series of Parity Stock and Junior Stock without the consent of any holder of Series H Preferred Stock.

(c) The foregoing voting provisions shall not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding Series H Preferred Stock shall have been redeemed or called for redemption upon proper notice and sufficient funds shall have been deposited in trust to effect such redemption.

(7) *Information Rights.* During any period in which the Corporation is not subject to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and any shares of Series H Preferred Stock are outstanding, the Corporation will (i) transmit by mail (or other permissible means under the Exchange Act) to all holders of Series H Preferred Stock, as their names and addresses appear in the record books of the Corporation and without cost to such holders, copies of the annual reports on Form 10-K and quarterly reports on Form 10-Q that the Corporation would have been required to file with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Exchange Act if the Corporation were subject thereto (other than any exhibits that would have been required) and (ii) promptly, upon request, supply copies of such reports to any prospective holder of Series H Preferred Stock. The Corporation will mail (or otherwise provide) the information to the holders of Series H Preferred Stock within 15 days after the respective dates by which a periodic report on Form 10-K or Form 10-Q, as the case may be, in respect of such information would have been required to be filed with the Securities and Exchange Commission if the Corporation were subject to Section 13 or 15(d) of the Exchange Act, in each case, based on the dates on which the Corporation would be required to file such periodic reports if the Corporation were a "non-accelerated filer" within the meaning of the Exchange Act.

(8) *Other Limitations; Ownership and Transfer of the Series H Preferred Stock.* The Series H Preferred Stock constitutes Capital Stock (as defined in the Charter) of the Corporation and is governed by and issued subject to all the ownership and transfer restrictions of the Charter applicable to Capital Stock generally, including but not limited to the terms and conditions (including exceptions and exemptions) of Article VII of the Charter applicable to Capital Stock. The foregoing sentence shall not be construed to limit the applicability to the Series H Preferred Stock of any other term or provision of the Charter.

(9) *Conversion Upon a Change of Control.* The Series H Preferred Stock is not convertible into or exchangeable for any other property or securities of the Corporation, except as provided in this Section 9.

(a) Upon the occurrence of a Change of Control, each holder of Series H Preferred Stock will have the right, subject to the Special Redemption Right of the Corporation, to convert some or all of the shares of Series H Preferred Stock held by such holder (the “Change of Control Conversion Right”) on the relevant Change of Control Conversion Date (as defined herein) into a number of shares of Class A Common Stock (as defined in the Charter) per share of Series H Preferred Stock (the “Common Stock Conversion Consideration”) equal to the lesser of (A) the quotient obtained by dividing (i) the sum of (x) \$25.00, plus (y) an amount equal to any accrued and unpaid dividends (whether or not declared) to, but not including, the Change of Control Conversion Date (as defined herein), except if such Change of Control Conversion Date is after a record date for a Series H Preferred Stock dividend payment and prior to the corresponding Series H Dividend Payment Date, in which case the amount pursuant to this clause (i)(y) shall equal \$0.00 in respect of such dividend payment to be made on such Series H Dividend Payment Date, by (ii) the Common Stock Price (as defined herein) (such quotient, the “Conversion Rate”), and (B) 2.8198 (the “Share Cap”), subject to the immediately succeeding paragraph.

The Share Cap is subject to pro rata adjustments for any share splits (including those effected pursuant to a Class A Common Stock dividend), subdivisions or combinations (in each case, a “Share Split”) with respect to Class A Common Stock as follows: the adjusted Share Cap as the result of a Share Split shall be the number of shares of Class A Common Stock that is equivalent to the product of (i) the Share Cap in effect immediately prior to such Share Split multiplied by (ii) a fraction, the numerator of which is the number of shares of Class A Common Stock outstanding after giving effect to such Share Split and the denominator of which is the number of shares of Class A Common Stock outstanding immediately prior to such Share Split.

For the avoidance of doubt, subject to the immediately succeeding sentence, the aggregate number of shares of Class A Common Stock (or equivalent Alternative Conversion Consideration (as defined herein), as applicable) issuable in connection with the exercise of the Change of Control Conversion Right shall not exceed 28,198,415 shares of Class A Common Stock (or equivalent Alternative Conversion Consideration, as applicable), subject to increase to the extent the underwriters’ over-allotment option to purchase additional Series H Preferred Stock in the initial public offering of Series H Preferred Stock is exercised, not to exceed 32,428,178 shares of Class A Common Stock in total (or equivalent Alternative Conversion Consideration, as applicable) (the “Exchange Cap”). The Exchange Cap is subject to pro rata adjustments for any Share Splits with respect to Class A Common Stock as follows: the adjusted Exchange Cap as the result of a Share Split will be the number of shares of Class A Common Stock that is equivalent to the product of (i) the Exchange Cap in effect immediately prior to such Share Split multiplied by (ii) a fraction, the numerator of which is the number of shares of Class A Common Stock outstanding after giving effect to such Share Split and the denominator of which is the number of shares of Class A Common Stock outstanding immediately prior to such Share Split.

In the case of a Change of Control as a result of which holders of Class A Common Stock are entitled to receive consideration other than solely shares of Class A Common Stock, including other securities, other property or assets (including cash or any combination thereof) with respect to or in exchange for shares of Class A Common Stock (the “Alternative Form Consideration”), a holder of Series H Preferred Stock shall be entitled thereafter to convert

(subject to the Corporation's Special Redemption Right) such Series H Preferred Stock not into Class A Common Stock but solely into the kind and amount of Alternative Form Consideration which the holder of Series H Preferred Stock would have owned or been entitled to receive upon such Change of Control as if such holder of Series H Preferred Stock then held the Common Stock Conversion Consideration immediately prior to the effective time of the Change of Control (the "Alternative Conversion Consideration," and the Common Stock Conversion Consideration or the Alternative Conversion Consideration, as may be applicable to a Change of Control, shall be referred to herein as the "Conversion Consideration").

If the holders of Class A Common Stock have the opportunity to elect the form of consideration to be received in such Change of Control, the Conversion Consideration will be deemed to be the kind and amount of consideration actually received by holders of a majority of Class A Common Stock that voted for such an election (if electing between two types of consideration) or holders of a plurality of Class A Common Stock that voted for such an election (if electing between more than two types of consideration), as the case may be.

As used herein, "Common Stock Price" will mean (i) if the consideration to be received in the Change of Control by holders of shares of Class A Common Stock is solely cash, the amount of cash consideration per share of Class A Common Stock, (ii) if the consideration to be received in the Change of Control by holders of Class A Common Stock is other than solely cash, the average of the closing price per share of Class A Common Stock on the ten consecutive trading days immediately preceding, but not including, the effective date of the Change of Control, and (iii) if there is not a readily determinable closing price for the Class A Common Stock or Alternative Form Consideration (as defined herein), the fair market value of Class A Common Stock or such Alternative Form Consideration (as determined by the Board or a committee thereof).

(b) No fractional shares of Class A Common Stock shall be issued upon the conversion of Series H Preferred Stock. In lieu of fractional shares, holders shall be entitled to receive the cash value of such fractional shares based on the Common Stock Price.

(c) Within 15 days following the occurrence of a Change of Control, the Corporation shall provide to holders of Series H Preferred Stock a notice of occurrence of the Change of Control that describes the resulting Change of Control Conversion Right. A failure to give such notice or any defect in the notice or in its mailing shall not affect the validity of the proceedings for the conversion of any Series H Preferred Stock except as to the holder to whom notice was defective or not given. Each notice shall state the following: (i) the events constituting the Change of Control; (ii) the date of the Change of Control; (iii) the last date on which the holders of Series H Preferred Stock may exercise their Change of Control Conversion Right, which shall be the Change of Control Conversion Date; (iv) the method and period for calculating the Common Stock Price; (v) the Change of Control Conversion Date, which will be a business day occurring within 20 to 35 days following the date of the notice; (vi) if applicable, the type and amount of Alternative Conversion Consideration entitled to be received per share of Series H Preferred Stock; (vii) the name and address of the paying agent and the conversion agent; and (viii) the procedures that the holders of Series H Preferred Stock must follow to exercise the Change of Control Conversion Right.

(d) The Corporation shall issue a press release for publication on the Dow Jones & Company, Inc., Business Wire, PR Newswire or Bloomberg Business News (or, if such organizations are not in existence at the time of issuance of such press release, such other news or press organization as is reasonably calculated to broadly disseminate the relevant information to the public), or post notice on the Corporation's website, in any event prior to the opening of business on the first Business Day following any date on which the Corporation provides notice pursuant to paragraph (c) above to the holders of Series H Preferred Stock.

(e) In order to exercise the Change of Control Conversion Right, a holder of Series H Preferred Stock shall be required to deliver, on or before the close of business on the Change of Control Conversion Date, the certificates (if any) evidencing the shares of Series H Preferred Stock to be converted, duly endorsed for transfer, together with a written conversion notice completed, to the transfer agent. Such conversion notice shall state: (i) the relevant Change of Control Conversion Date; (ii) the number of shares of Series H Preferred Stock to be converted; and (iii) that the shares of Series H Preferred Stock are to be converted pursuant to the applicable provisions of the Series H Preferred Stock. Notwithstanding the foregoing, if the shares of Series H Preferred Stock are held in global form, such notice shall comply with applicable procedures of the Depository Trust Company ("DTC"). The "Change of Control Conversion Date" shall be a Business Day set forth in the notice of Change of Control provided in accordance with paragraph 9(c) hereof that is no less than 20 days nor more than 35 days after the date on which the Corporation gives such notice pursuant to paragraph 9(c) hereof.

(f) Holders of Series H Preferred Stock may withdraw any notice of exercise of a Change of Control Conversion Right (in whole or in part) by a written notice of withdrawal delivered to the Corporation's transfer agent prior to the close of business on the Business Day prior to the Change of Control Conversion Date. The notice of withdrawal must state: (i) the number of withdrawn shares of Series H Preferred Stock; (ii) if certificated shares of Series H Preferred Stock have been issued, the certificate numbers of the withdrawn shares of Series H Preferred Stock; and (iii) the number of shares of Series H Preferred Stock, if any, which remain subject to the conversion notice. Notwithstanding the foregoing, if the shares of Series H Preferred Stock are held in global form, the notice of withdrawal shall comply with applicable DTC procedures.

(g) Series H Preferred Stock as to which the Change of Control Conversion Right has been properly exercised and for which the conversion notice has not been properly withdrawn shall be converted into the applicable Conversion Consideration in accordance with the Change of Control Conversion Right on the Change of Control Conversion Date.

(h) In connection with the exercise of any Change of Control Conversion Right, the Corporation will comply with all U.S. federal and state securities laws and stock exchange rules in connection with any conversion of Series H Preferred Stock into Class A Common Stock. Notwithstanding anything to the contrary contained herein, no holder of Series H Preferred Stock will be entitled to convert such Series H Preferred Stock for Class A Common Stock to the extent that receipt of such Class A Common Stock would cause such holder (or any other person) to Beneficially Own or Constructively Own, within the meaning of the Charter, Common Stock of the Corporation in excess of the Common Stock Ownership Limit, as such term is defined in the Charter.

(10) *Record Holders.* The Corporation and the transfer agent for the Series H Preferred Stock may deem and treat the record holder of any Series H Preferred Stock as the true and lawful owner thereof for all purposes, and neither the Corporation nor the transfer agent shall be affected by any notice to the contrary.

**Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Marc C. Ganzi, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of DigitalBridge Group, 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.

Date: November 7, 2022

/s/ Marc C. Ganzi

Marc C. Ganzi
Chief Executive Officer

**Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Jacky Wu, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of DigitalBridge Group, 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.

Date: November 7, 2022

/s/ Jacky Wu

Jacky Wu
Chief Financial Officer

**Certification of 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 of DigitalBridge Group, Inc. (the "Company") on Form 10-Q for the three months ended September 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Marc C. Ganzi, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(i) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 7, 2022

/s/ Marc C. Ganzi

Marc C. Ganzi
Chief Executive Officer

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.

**Certification of 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 of DigitalBridge Group, Inc. (the "Company") on Form 10-Q for the three months ended September 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jacky Wu, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(i) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 7, 2022

/s/ Jacky Wu

Jacky Wu
Chief Financial Officer

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.