

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): November 7, 2018

**NorthStar Realty Europe Corp.**

(Exact name of registrant as specified in its charter)

**Maryland**

(State or other jurisdiction of incorporation)

**001-37597**

(Commission File Number)

**32-0468861**

(I.R.S. Employer Identification No.)

**590 Madison Avenue, 34<sup>th</sup> Floor, New York, NY**

(Address of principal executive offices)

**10022**

(Zip Code)

**(212) 547-2600**

(Registrant's telephone number, including area code)

**N/A**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

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#### **Item 1.01. Entry into a Material Definitive Agreement.**

On November 7, 2018, NorthStar Realty Europe Corp. (the "Company") and CNI NRE Advisors LLC (the "Asset Manager"), an affiliate of Colony Capital, Inc., entered into Amendment No. 1 (the "Amendment") to the Amended and Restated Management Agreement, dated as of November 9, 2017 (the "Asset Management Agreement") between the Company and the Asset Manager. The Amendment provides for the automatic termination of the Asset Management Agreement (the date of such termination, the "Termination Date") upon the earlier of (i) the closing of an NRE Change of Control (as defined in the Asset Management Agreement) and (ii) the completion of an internalization of the management of the Company within nine months of the later of (x) April 30, 2019, if on such date there is not in place a definitive agreement for an NRE Change of Control and (y) if on April 30, 2019 there is a definitive agreement for an NRE Change of Control, such date on which such agreement is terminated, if any, if no other definitive agreement for an NRE Change of Control is entered into within 30 days thereafter.

The Amendment provides that upon the Termination Date, the Company will be obligated to pay to the Asset Manager a termination payment equal to (i) \$70 million, minus (ii) the amount of any Incentive Fee (as defined in the Asset Management Agreement) paid pursuant to the Asset Management Agreement. No Incentive Fee will be payable to the Asset Manager for any period on or after the Termination Date.

Under the terms of the Amendment, at the direction of the Strategic Review Committee (the "SRC") of the Company's board of directors (the "Board"), the Company has agreed to use commercially reasonable efforts, consistent with the fiduciary duties of the SRC and the Board, to enter into a definitive agreement providing for an NRE Change of Control. The Amendment provides that the Asset Manager will continue to manage the Company and provide services to the Company under the terms the Asset Management Agreement until the Termination Date and during such period the Asset Manager will be entitled to expense reimbursements, the Base Management Fee and any Incentive Fee, each as defined in, and pursuant to, the Asset Management Agreement. If no definitive agreement for an NRE Change of Control is in place by April 30, 2019, the parties will cooperate to finalize the internalization of the management of NRE as soon as reasonably practicable. In addition, the Asset Manager and the Company agreed to negotiate in good faith to execute a definitive transition services agreement to remain in place for a period commencing upon the Termination Date and for nine months thereafter (or such shorter time requested by the Board).

The foregoing descriptions of the Amendment and the Asset Management Agreement do not purport to describe all of the terms of the Amendment and the Asset Management Agreement and are qualified in their entirety by reference to the Amendment, which is filed as Exhibit 10.1 hereto, and the Asset Management Agreement, which is filed as Exhibit 10.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 2017 and is incorporated herein by reference.

#### **Item 8.01. Other Events.**

On November 7, 2018, the Company announced that the SRC is conducting a process to review strategic alternatives, including the potential sale of the Company, and the entry into the Amendment. A copy of the press release is attached as Exhibit 99.1 hereto and is incorporated herein by reference.

#### **Cautionary Statement Regarding Forward-Looking Statements**

This Current Report on Form 8-K contains certain "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward looking statements are generally identifiable by use of forward looking terminology such as "may," "will," "should," "potential," "intend," "expect," "seek," "anticipate," "estimate," "believe," "could," "project," "predict," "hypothetical," "continue," "future" or other similar words or expressions. Forward looking statements are not guarantees of performance and are based on certain assumptions, discuss future expectations, describe plans and strategies, contain projections of results of operations or of financial condition or state other forward looking information. Such statements include, but are not limited to, the likelihood and timing of successfully completing the transactions described and the entry into further agreements among the parties. Forward looking statements are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying any forward-looking statements will not materialize or will vary significantly from actual results. Variations of assumptions and results may be material. Factors that could cause actual results to differ materially from those in the forward looking statements are specified in the Company's Annual Report on Form 10-K for the year ended December 31, 2017, and its other filings with the Securities and Exchange Commission. Such forward looking statements speak only as of the date of this Current Report on Form 8-K. The Company expressly disclaims any obligation to release publicly any updates or

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revisions to any forward looking statements contained herein to reflect any change in its expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

The following exhibits are filed as part of this report:

Exhibit No.	Description
10.1	Amendment No. 1, dated November 7, 2018, to the Amended and Restated Asset Management Agreement, between NorthStar Realty Europe Corp. and CNI NRE Advisors, LLC.
99.1	Press Release dated November 7, 2018

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**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 hereunto duly authorized.

NorthStar Realty Europe Corp.  
(Registrant)

Date: November 8, 2018

By: /s/ Trevor K. Ross  
Trevor K. Ross  
General Counsel and Secretary

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**EXHIBIT INDEX**

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99.1	<a href="#"><u>Press Release dated November 7, 2018</u></a>

**AMENDMENT NO. 1 TO AMENDED AND RESTATED ASSET  
MANAGEMENT AGREEMENT**

This amendment (this "Amendment"), dated as of November 7, 2018 hereby amends the Amended and Restated Asset Management Agreement dated as of November 9, 2017 (the "Asset Management Agreement") by and between NorthStar Realty Europe Corp., a Maryland corporation ("NRE"), and CNI NRE Advisors, LLC, a Delaware limited liability company (the "Asset Manager"). Each capitalized term used in this Amendment and not otherwise defined herein shall have the meaning ascribed to such term in the Asset Management Agreement.

NOW, THEREFORE, the parties hereto, for good and valuable consideration, the adequacy of which is hereby acknowledged, and intending to be legally bound, hereby wish to amend the Asset Management Agreement on the terms set forth herein:

**AGREEMENTS**

1. **Press Release.** NRE has issued a press release announcing this Amendment and that the SRC, is conducting a process to review strategic alternatives in an effort to enhance stockholder value, including by means of a potential sale of NRE.
2. **Commercially Reasonable Efforts.** At the direction of the SRC, NRE shall use commercially reasonable efforts, consistent with the fiduciary duties of the SRC and the Board of Directors of NRE, to enter into a definitive agreement providing for an NRE Change of Control.
3. **Management.** Subject to the other terms and conditions of this Amendment, from the date hereof through the Termination Date (as defined below), the Asset Manager shall continue to manage NRE and provide Services pursuant to the existing terms of the Asset Management Agreement, including in exchange for NRE's payment of the Base Management Fee, any Incentive Fee and expense reimbursement due pursuant to the existing terms of the Asset Management Agreement.
4. **Retention and Transition Plan.** Promptly after the date hereof, the Asset Manager and NRE (through its Board of Directors) hereby agree to formulate a management transition and retention program to induce the employees of the Asset Manager and its Subsidiaries set forth on Exhibit A to continue providing Services to NRE through the Termination Date and substantially similar services to NRE following the Termination Date, which program shall be reasonably acceptable to the Board of Directors of NRE and the Asset Manager.
5. **Termination of the Asset Management Agreement.** After the date hereof and prior to the Outside Date, the Asset Manager and NRE acknowledge and agree that any definitive agreement entered into with respect to an NRE Change of Control need not comply with Section 19(b) of the Asset Management Agreement. The Asset Management Agreement will automatically terminate (the date of such termination, the "Termination Date"), without further action of either party hereto, effective upon the earlier of (A) (i) the closing of an NRE Change of Control, and (ii) the completion of an internalization of the management of NRE within nine months of a Triggering Date (as defined below) (the date which is nine months after the Triggering Date being referred to as the "Outside

Date”), following which each of NRE and the Asset Manager shall have no further rights or obligations under the Asset Management Agreement other than the payment of the Termination Payment in accordance with the terms hereof; provided that following the Triggering Date, NRE shall promptly make a public announcement regarding the termination of its process to review strategic alternatives and initiation of the internalization process, at which time NRE’s obligations under Section 2 shall terminate. “Triggering Date” means the later of (x) April 30, 2019 if on such date there is not in place a definitive agreement for an NRE Change of Control, and (y) if on April 30, 2019 there is a definitive agreement for an NRE Change of Control, such date on which such agreement is terminated, if any, if no other definitive agreement for an NRE Change of Control is entered into within 30 days thereafter. On the Termination Date, NRE shall pay to the Asset Manager a termination payment equal to (I) \$70,000,000, minus (II) the amount of any Incentive Fee paid pursuant to the Asset Management Agreement on or after the date hereof and on or prior to the Termination Date (the “Termination Payment”). Any internalization of the management of NRE shall be pursuant to a definitive agreement, the form of which shall be of a customary nature for transactions of this type, shall be negotiated in good faith and shall be reasonably acceptable to the Board of Directors of NRE and the Asset Manager. During the period from any Triggering Date to the corresponding Outside Date, the Asset Manager shall reasonably cooperate with NRE to finalize the internalization of the management of NRE as soon as reasonably practicable after such Triggering Date.

6. **Incentive Fee.** Each of NRE and the Asset Manager hereby agree that (i) the payment of all Incentive Fees in accordance with the Asset Management Agreement on or prior to the Outside Date shall in no event exceed \$70,000,000 in the aggregate and (ii) no Incentive Fee shall be due or payable to the Asset Manager pursuant to the terms of the Asset Management Agreement in respect of any NRE Change of Control in connection with which the Termination Payment is paid or any period on or after the Termination Date. For the avoidance of doubt and for illustrative purposes only, if all Incentive Fees paid prior to the Termination Date equal to fifteen million dollars (\$15,000,000), the Termination Payment would equal fifty-five million dollars (\$55,000,000).

7 . **Transition Services Agreement.** At the request of the Board of Directors of NRE, the Asset Manager and NRE agree to negotiate in good faith to execute a definitive transition services agreement, the form of which is reasonably acceptable to the Board of Directors of NRE and the Asset Manager, which transition services agreement shall remain in place for a period commencing upon the Termination Date and for nine (9) months thereafter (or such shorter time as the Board of Directors of NRE shall request).

8 . **Miscellaneous.** The provisions set forth in Section 22 through Section 30 and Section 32 through Section 35 of the Asset Management Agreement are hereby incorporated herein, with all references to the “Agreement” being references to the Asset Management Agreement as amended by this Amendment. This Amendment may be executed in one or more counterparts, and each of such counterparts shall, for all purposes, be deemed to be an original, but all of such counterparts shall constitute one and the same instrument.

[Signatures on Next Page]

NORTHSTAR REALTY EUROPE CORP.

By: /s/ RONALD M. SANDERS  
Name: Ronald M. Sanders  
Title: Assistant Secretary

CNI NRE ADVISORS, LLC

By: /s/ MARK M. HEDSTROM  
Name: Mark M. Hedstrom  
Title: Vice President

## **NorthStar Realty Europe Announces Process to Review Strategic Alternatives**

November 07, 2018 07:57 AM Eastern Standard Time

NEW YORK--(BUSINESS WIRE)--NorthStar Realty Europe Corp. (NYSE: NRE) (“NorthStar Realty Europe”, “NRE”, or “the Company”), a REIT focused on prime office properties in Europe, announced today that the Strategic Review Committee (the “SRC”) of the Board of Directors, consisting solely of independent directors of the Company, is conducting a process to review strategic alternatives, including considering a potential sale of NRE, in an effort to maximize shareholder value. As previously disclosed, the SRC has been working diligently to evaluate various potential opportunities to enhance shareholder value, with the assistance of its outside financial and legal advisors.

NRE also announced today that it has reached an agreement with its external manager, an affiliate of Colony Capital, Inc. (NYSE: CLNY) (the “Asset Manager”) to terminate the Amended and Restated Asset Management Agreement (“Management Agreement”) between NRE and its manager that had provided for the external management of NRE through at least January 1, 2023. Such termination will be effective upon the consummation of a sale of NRE or, if no sale transaction is completed, in connection with the internalization of the management of NRE. In connection with such termination, NRE will make a termination payment to the Asset Manager in the amount of \$70 million, minus the amount of any incentive fee paid to the Asset Manager under the Management Agreement. Until the Management Agreement is terminated, the Asset Manager will continue to manage NRE pursuant to the existing terms of the Management Agreement.

Goldman Sachs & Co. LLC is serving as financial advisor to the SRC and Fried Frank Harris Shriver & Jacobson LLP is serving as its legal counsel. Sullivan & Cromwell LLP is serving as legal counsel to the Company.

### **About NorthStar Realty Europe**

NorthStar Realty Europe Corp. (NYSE: NRE) is a European-focused commercial real estate company with predominantly high quality office properties in Germany, the United Kingdom and France, organized as a REIT and managed by an affiliate of Colony Capital, Inc. (NYSE: CLNY), a leading global real estate and investment management firm. For more information about NorthStar Realty Europe Corp., please visit <http://www.nrecorp.com>.

### **Safe Harbor Statement**

Certain items in this press release may constitute forward-looking statements, which can be identified by words like "expect," "will," "intends" and similar expressions. These statements are based on management's current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements; NorthStar Realty Europe can give no assurance that its expectations will be attained. Forward-looking statements are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying any forward-looking statements will not materialize or will vary significantly from actual results. Variations of assumptions and results may be material. Additional information about these and other factors that could cause actual results to differ materially from those in the forward-looking statements are specified in NorthStar Realty Europe's Annual Report on Form 10-K for the year ended December 31, 2017 and its other filings with the Securities and Exchange Commission. Such forward-looking statements speak only as of the date of this press release. NorthStar Realty Europe expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in its expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

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## **Contacts**

### **Media contact**

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