



**Part II** Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Internal Revenue Code sections 301(c), 301(d), 305(b), 305(c), and 316

Blank lines for listing Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ No loss may be recognized by this organizational action.

Blank lines for providing information regarding loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ Any adjustment required by this action applies to the 2021 taxable year for calendar year taxpayers. The reporting entity is a calendar year taxpayer.

Blank lines for providing other information necessary to implement the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature ▶  Date ▶ 10/20/2021

Print your name ▶ Adam M. Cohen Title ▶ Senior Vice President, Tax

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no.			

**iStar Inc.**  
3.125% Convertible Bonds  
Statement Attached to and Made Part of  
**Form 8937**  
for the quarter ended September 30, 2021

**Line 14 -- Describe the organizational action and, if applicable, the date of action or the date against which shareholders' ownership is measured for the action.**

On each of the record dates listed below, the common shareholders of iStar Inc. received dividends. iStar Inc. provides the following information with respect to its 3.125% convertible debt. Under sections 305(b) and 305(c) of the Internal Revenue Code of 1986, as amended, (the "Code") and the corresponding treasury regulations, the adjustment to the conversion rates should be treated as a deemed distribution.

The information provided herein is intended to satisfy the public reporting requirements of Code section 6045B and is not intended as a complete analysis of all potential federal or other tax consequences of holding these securities.

**Line 15 -- Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis**

In connection with each dividend record date, the conversion rate changed by the amount indicated per share. All the cash distributions were a return of capital as iStar Inc. had no current or accumulated earnings and profits. Accordingly, the deemed distribution under sections 305(b) and 305(c) and corresponding regulations would not increase the adjusted basis of security holders.

Record Date	Common Dividend per Share	Conversion Rate	Conversion Rate per Share	Change in Conversion Rate per Share	Adjustment to Basis
2/26/2021	0.110	70.7160	14.14	0.09	-
6/1/2021	0.125	71.2295	14.04	0.10	-
9/1/2021	0.125	71.5797	13.97	0.07	-

**Line 16 -- Describe the calculation of the change in basis and the data that supports the calculation, such as market values of securities and the valuation dates**

The conversion rate is computed as by the following formula:

$$CR1 = \frac{CR0 \times SP0}{SP0 - C}$$

CR1 The applicable conversion rate in effect immediately after the close of business on the record date of such dividend or other distribution

CR0 The applicable conversion rate in effect immediately prior to the close of business on the record date of such dividend or other distribution

SP0 The average of the closing sale prices of iStar Inc.'s common stock over the 10 consecutive trading-day period ending on and including the trading day immediately preceding the ex-dividend date for such dividend or other distribution

C The amount of cash per share paid or distributed to holders of iStar Inc.'s common stock

**iStar Inc.****Convertible Securities - Conversion Adjustment**

If any cash dividend or distribution is made to all or substantially all holders of our common stock, the conversion rate will be adjusted based on the following:

- CR0 = the applicable conversion rate in effect immediately prior to the close of business on the record date for such dividend or other distribution
- CR1 = the applicable conversion rate in effect immediately after the close of business on the record date for such dividend or other distribution
- SP0 = the average of the closing sale prices of our common stock over the 10 consecutive trading-day period ending on, and including, the trading day immediately preceding the ex-dividend date for such dividend or other distribution
- C = the amount of cash per share we pay or distribute to holders of our common stock

**\$287.5mm 3.125% Convertible Notes due September 2022**

- CR0 = 71.2295 \$14.04 per share
- SP0 = \$25.55
- C = \$0.125

CR1 =  $CR0 \times SP0 / (SP0 - C)$

<b>CR1</b>	<b>=</b>	<b>71.5797</b>	<b>\$13.97 per share</b>
<i>Adjustment</i>			<i>\$0.07 per share</i>

**10-Day Closing Price**

8/30	\$26.50
8/27	\$26.43
8/26	\$25.52
8/25	\$25.64
8/24	\$25.47
8/23	\$25.30
8/20	\$25.47
8/19	\$25.18
8/18	\$24.74
8/17	\$25.28