(December 2017

Department of the Treasury

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-0123

Internal Revenue Service Reporting Issuer Part I 2 Issuer's employer identification number (EIN) Issuer's name 95-6881527 iStar Inc. 3 Name of contact for additional information Telephone No. of contact 5 Email address of contact Adam M. Cohen, Senior Vice President, Tax (212) 930-9404 acohen@safeholdinc.com 6 Number and street (or P.O. box if mail is not delivered to street address) of contact 7 City, town, or post office, state, and ZIP code of contact 1114 Avenue of the Americas, FL 39 New York, NY 10036 8 Date of action 9 Classification and description March 31, 2023 DISTRIBUTION OF SHARES OF STAR HOLDINGS ON ISTAR COMMON STOCK 10 CUSIP number 11 Serial number(s) 12 Ticker symbol 13 Account number(s) 45031U-101 **STAR** Organizational Action Attach additional statements if needed. See back of form for additional questions. Part II Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► ON MARCH 31, 2023, ISTAR INC. DISTRIBUTED 13,319,552 SHARES OF ITS WHOLLY-OWNED TAXABLE REIT SUBSIDIARY, STAR HOLDINGS (the "DISTRIBUTED STOCK"), ON EACH SHARE OF ISTAR INC. COMMON STOCK TO SHAREHOLDERS OF RECORD ON MARCH 30, 2023 (the "DISTRIBUTION"). FOLLOWING THE DISTRIBUTION, THE DISTRIBUTED STOCK TRADED ON THE NASDAQ UNDER THE TICKER SYMBOL "STHO." EACH SHAREHOLDER ALSO RECEIVED CASH IN LIEU OF FRACTIONAL SHARES, WHICH WILL BE REPORTED ON FORM 1099-B. 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 15 share or as a percentage of old basis ► THE DISTRIBUTION IS INTENDED TO BE TREATED AS A TAXABLE DISTRIBUTION GOVERNED BY SECTION 301. BASED ON THE \$18.23 VALUE OF THE DISTRIBUTED STOCK, \$0.5347 PER SHARE IS ESTIMATED TO BE A TAXABLE DIVIDEND (WITH NO EFFECT ON BASIS). THE REMAINING \$2.2506 PER SHARE IS A REDUCTION TO THE STOCK BASIS IN EACH ISTAR SHARE (BUT NOT BELOW ZERO), WITH ANY EXCESS OF \$2.2506 OVER THE BASIS IN SUCH ISTAR SHARE, IF ANY, RECOGNIZED AS A CAPITAL GAIN. IN ADDITION, UNDER SECTION 301(d), THE TAX BASIS IN THE DISTRIBUTED STOCK SHOULD EQUAL ITS FAIR MARKET VALUE (\$18.23) OF SUCH SHARES (SEE LINE 16 BELOW.) Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► THE FAIR MARKET VALUE OF THE DISTRIBUTED STOCK WAS DETERMINED TO BE \$18.23 PER SHARE BASED ON THE AVERAGE OF THE FIRST TRADING DAY'S HIGHEST AND LOWEST INTRADAY TRADING PRICES, WHICH IS ONE REASONABLE WAY TO DETERMINED THE VALUE OF THE DISTRIBUTED STOCK. IN GENERAL, A DISTRIBUTION OF PROPERTY BY A CORPORATION IS TREATED AS A TAXABLE DIVIDEND TO THE EXTENT OF THE CURRENT AND ACCUMULATED EARNINGS AND PROFITS ("E & P") OF THAT CORPORATION AT THE DATE OF THE DISTRIBUTION. ISTAR RECENTLY DETERMINED ITS E & P AS \$0.5347 PER SHARE. AS A RESULT, THE DISTRIBUTED STOCK WITH A VALUE OF \$2.7853 PER SHARE RESULTED IN A DIVIDEND OF \$0.5347 PER SHARE (WITH NO EFFECT ON BASIS) AND A REDUCTION OF BASIS UP TO \$2.2506 PER SHARE

Par	t II	Organizational Action (continued)			
17	List t	the applicable Internal Revenue Code section(s) and subsection(s) upon which the	tax treatment is based ▶	SECTIONS 301(c) and 316	
40	0	and the state of t			
18	Cana	any resulting loss be recognized? ► NO LOSS MAY BE RECOGNIZED.			
19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► THE TAXABLE DIVIDEND AND					
ADJUSTMENT TO BASIS OCCURRED IN THE 2023 TAXABLE YEAR. THAT PORTION OF THE DISTRIBUTION, WHICH IS REPORTED AS					
A TAXABLE DIVIDEND WILL BE REPORTED TO SHAREHOLDERS ON FORM 1099-DIV ON OR ABOUT JANUARY 31, 2024. ANY CASH					
IN LIEU OF FRACTIONAL SHARES WILL BE REPORTED TO SHAREHOLDERS ON FORM 1099-B.					
	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	Si	ignature	Date ▶ <u>09/19/2023</u>		
	Г.	rint your name ▶ Adam M. Cohen	Senior Vice	President, Tax	
Paid		Print/Type preparer's name Preparer's signature	Date	Check if PTIN	
Pre		ANDREW K. MAUDE		elf-employed P00706613	
Use		ly Firm's name ► DELOITTE TAX LLP		Firm's EIN ► 86-1065772	
Send For		Firm's address ► 191 PEACHTREE STREET, SUITE 2000 ATLANTA, GA 30303-1924 Phone no. 404-220-1500 n 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054			