



Safety, Income & Growth Inc.

The Ground Lease Company

Corporate Presentation – Master Class

November 2017

(NYSE: SAFE)

Forward-Looking Statements and Other Matters

This release may contain forward-looking statements. All statements other than statements of historical fact are forward-looking statements. These forward-looking statements can be identified by the use of words such as “illustrative”, “representative”, “expect”, “plan”, “will”, “estimate”, “project”, “intend”, “believe”, and other similar expressions that do not relate to historical matters. These forward-looking statements reflect the Company’s current views about future events, and are subject to numerous known and unknown risks, uncertainties, assumptions and changes in circumstances that may cause Company’s actual results to differ significantly from those expressed in any forward-looking statement. The Company does not guarantee that the transactions and events described will happen as described (or that they will happen at all). 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: market demand for ground lease capital; the Company’s ability to source new ground lease investments; risks that the rent adjustment clauses in the Company’s leases will not adequately keep up with changes in market value and inflation; risks associated with certain tenant and industry concentrations in our initial portfolio; conflicts of interest and other risks associated with the Company’s external management structure and its relationships with iStar and other significant investors; risks associated with using debt to fund the Company’s business activities (including changes in interest rates and/or credit spreads, and refinancing and interest rate risks); general risks affecting the real estate industry and local real estate markets (including, without limitation, the potential inability to enter into or renew ground leases at favorable rates, including with respect to contractual rate increases or participating rent); dependence on the creditworthiness of our tenants and their financial condition and operating performance; competition from other developers, owners and operators of real estate (including life insurance companies, pension funds, high net worth investors, sovereign wealth funds, mortgage REITs, private equity funds and separate accounts); unknown liabilities acquired in connection with real estate; and risks associated with our failure to qualify for taxation as a REIT under the Internal Revenue Code of 1986, as amended. Please refer to the section entitled “Risk Factors” in our Prospectus, dated June 27, 2017, filed with the Securities and Exchange Commission (SEC) and please also see our Current report in Form 8-K, filed with the SEC on October 26, 2017 for further discussion of these and other investment considerations. The Company expressly disclaims any responsibility to update or revise forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Investor Relations Contact

Jason Fooks

(212) 930-9400

investors@safetynetgrowth.com

Corporate Snapshot

NYSE Ticker	SAFE
Share Price (11/9/2017)	\$17.80
Shares Outstanding	18.2MM
Market Cap	\$328MM
Dividend Yield	3.4%

# of Investments	15
Gross Assets	\$497MM
Total Liabilities	\$234MM
Total Equity Base	\$358MM
Book Value / Share	\$20.00

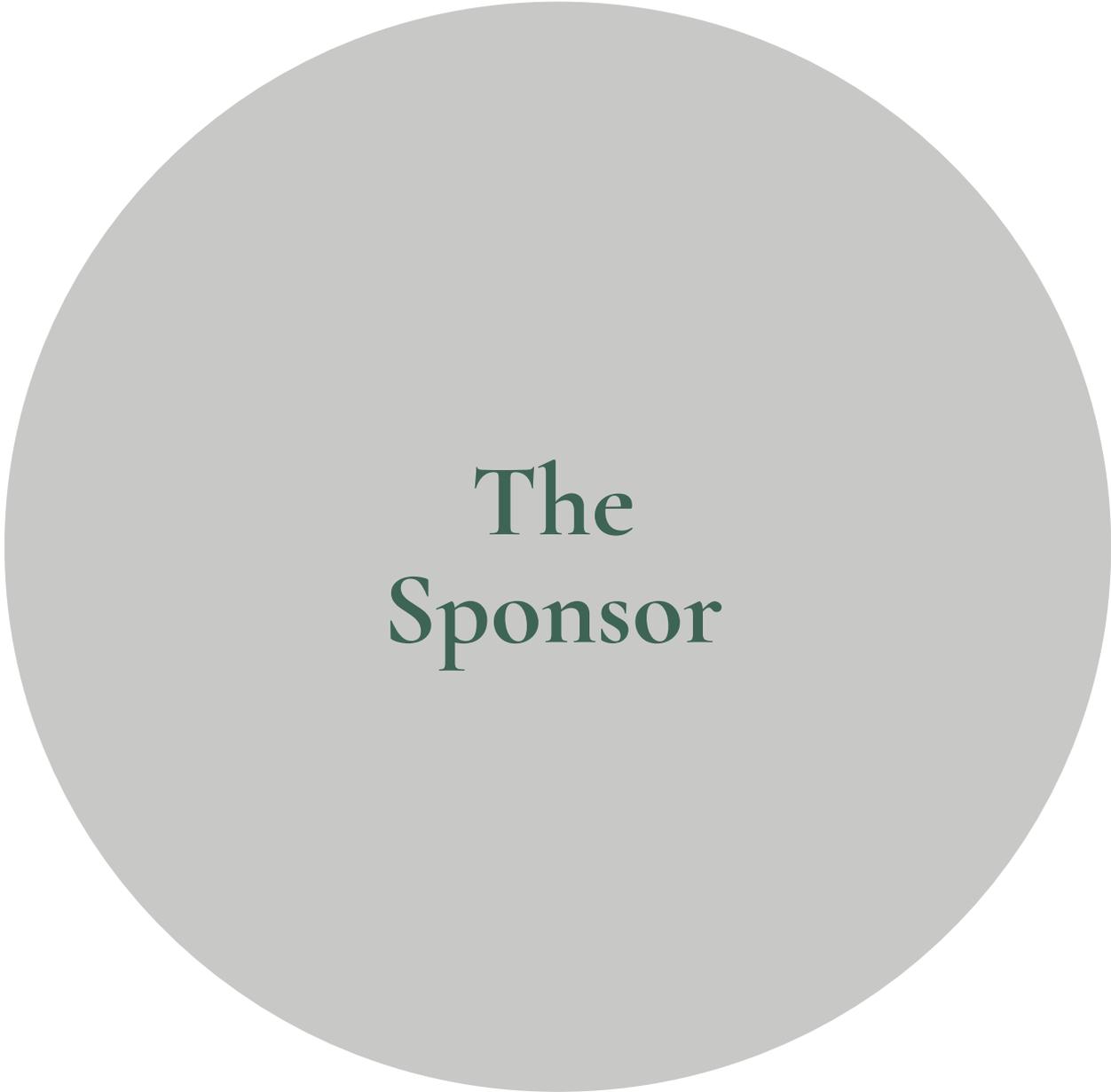




The Opportunity

Overview of Opportunity

- First and only publicly-traded company to focus on ground lease (“GL”) investments
- GLs generate attractive risk-adjusted returns, combining safety, growing inflation protected income and the potential for significant capital appreciation
- Opportunity to re-invent industry and capitalize on misunderstood sector
- New approach to GLs will enable significantly expanded use of GLs in commercial real estate
- Current stock price represents a deep discount to our view of intrinsic value of existing portfolio
- Strong iStar partnership
 - Largest shareholder with a ~\$115MM investment (~35% ownership)
 - Deeply aligned, subsidized management agreement
 - Sizable ownership and support from sovereign wealth fund

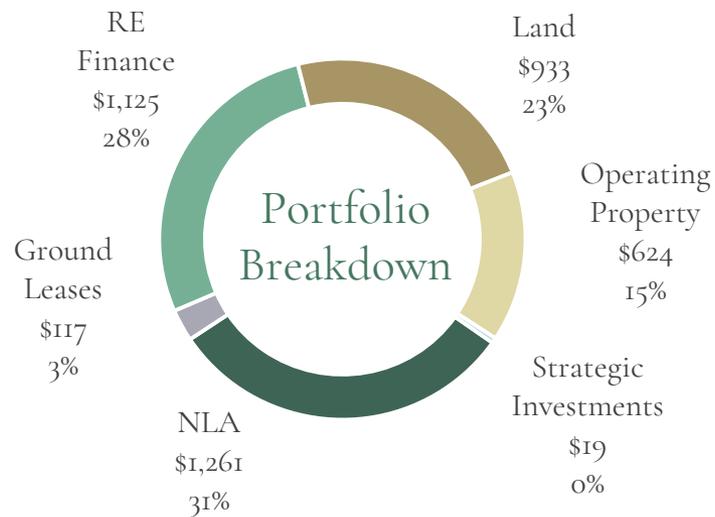


The Sponsor

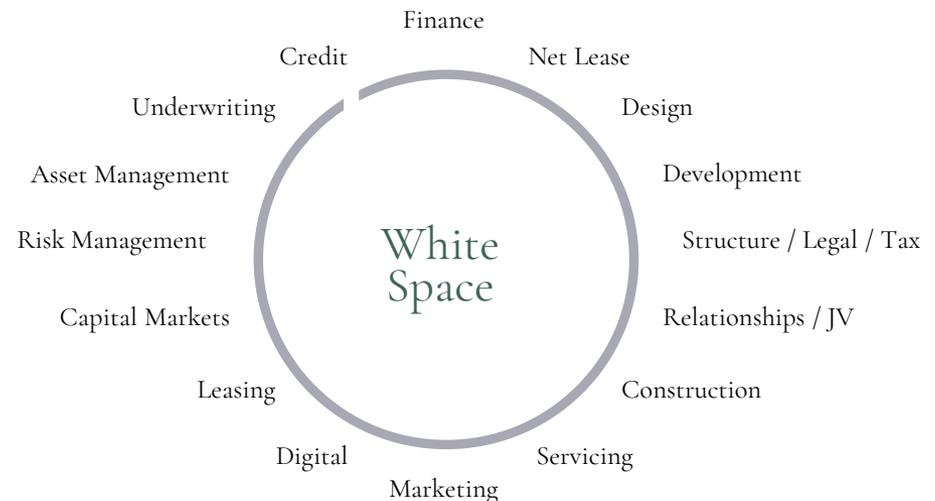
Overview of iStar (NYSE: STAR)

- iStar (NYSE: STAR) brings experience built on \$35B of real estate finance and investment deals over the past two decades
- National platform with 8 regional offices and 190 employees

Current iStar Investment Portfolio ⁽¹⁾



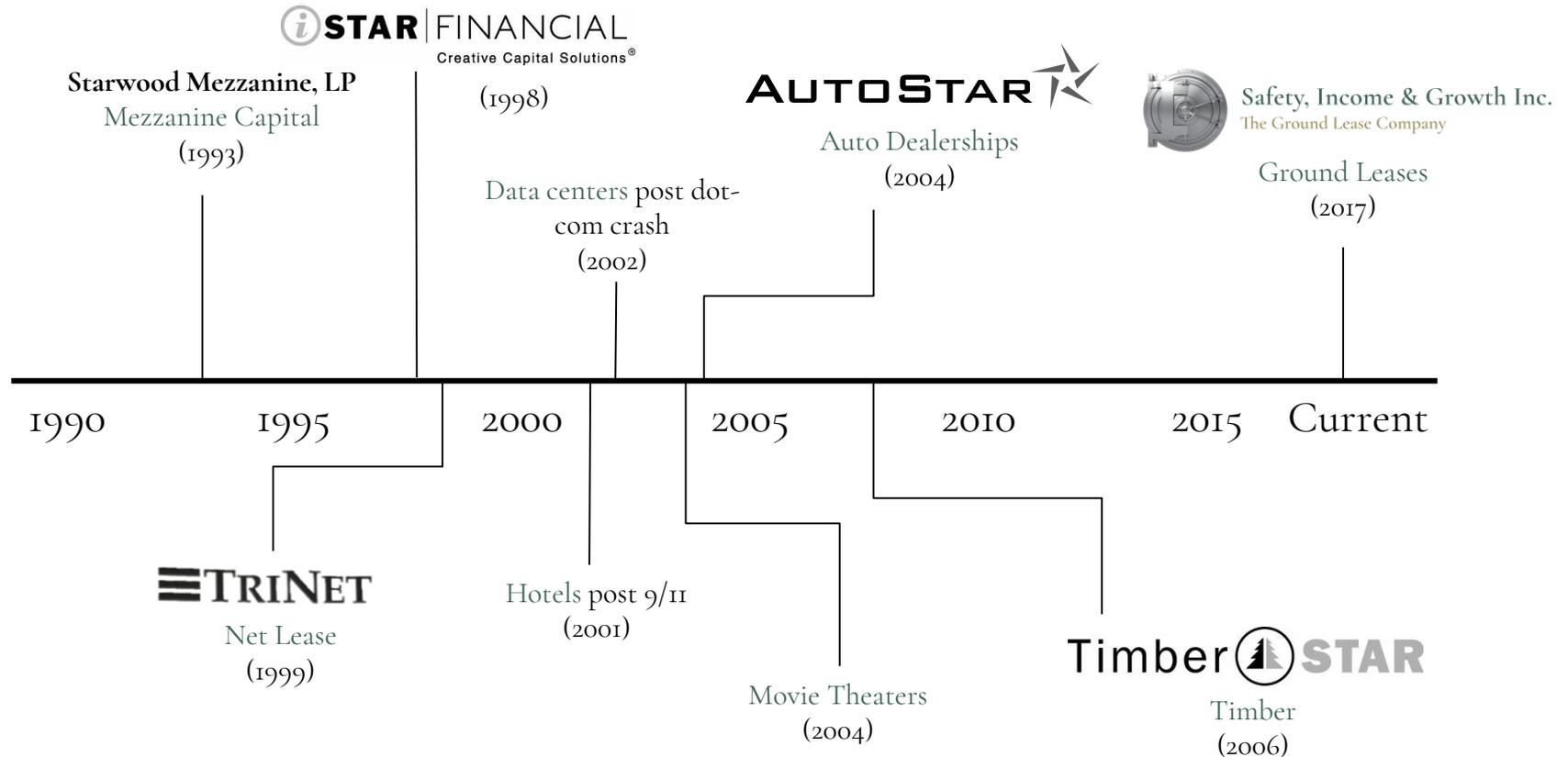
Fully Integrated Platform



(1) \$ in millions. Figures based on carrying value of the company's total investment portfolio, gross of accumulated depreciation and general loan loss reserves and assumes market value of SAFE investment.

iStar's Ability to Identify Big Opportunities

iStar's innovative real estate platform combined with its breadth of experience and skills helps identify **white space** in the market





Target Investments

What is a Ground Lease?

A ground lease, or GL, is the safest part of a real estate investment. It generally represents ownership of the land underlying a commercial real estate property. The land is net leased on a long-term basis by the Landlord (SAFE) to a Tenant that owns and operates the real estate property

Key points of GL structure:

- 1 Tenant takes possession of the land and beneficial ownership of the improvements on a “triple net” lease basis
- 2 Landlord (SAFE) collects ground rent payments, including contractual escalations and/or percentage rent payments during the lease term
- 3 At lease expiration, or upon a Tenant default, the land and all improvements thereon revert to the Landlord (SAFE) for no additional consideration



Typical GL Lease Terms

Lease Term Base term up to 99 years plus renewal options

Contractual Rent Escalators Fixed bumps, CPI-based increases, or revenue participations

Property Expenses No Landlord obligations

Capital Expenditures No Landlord obligations

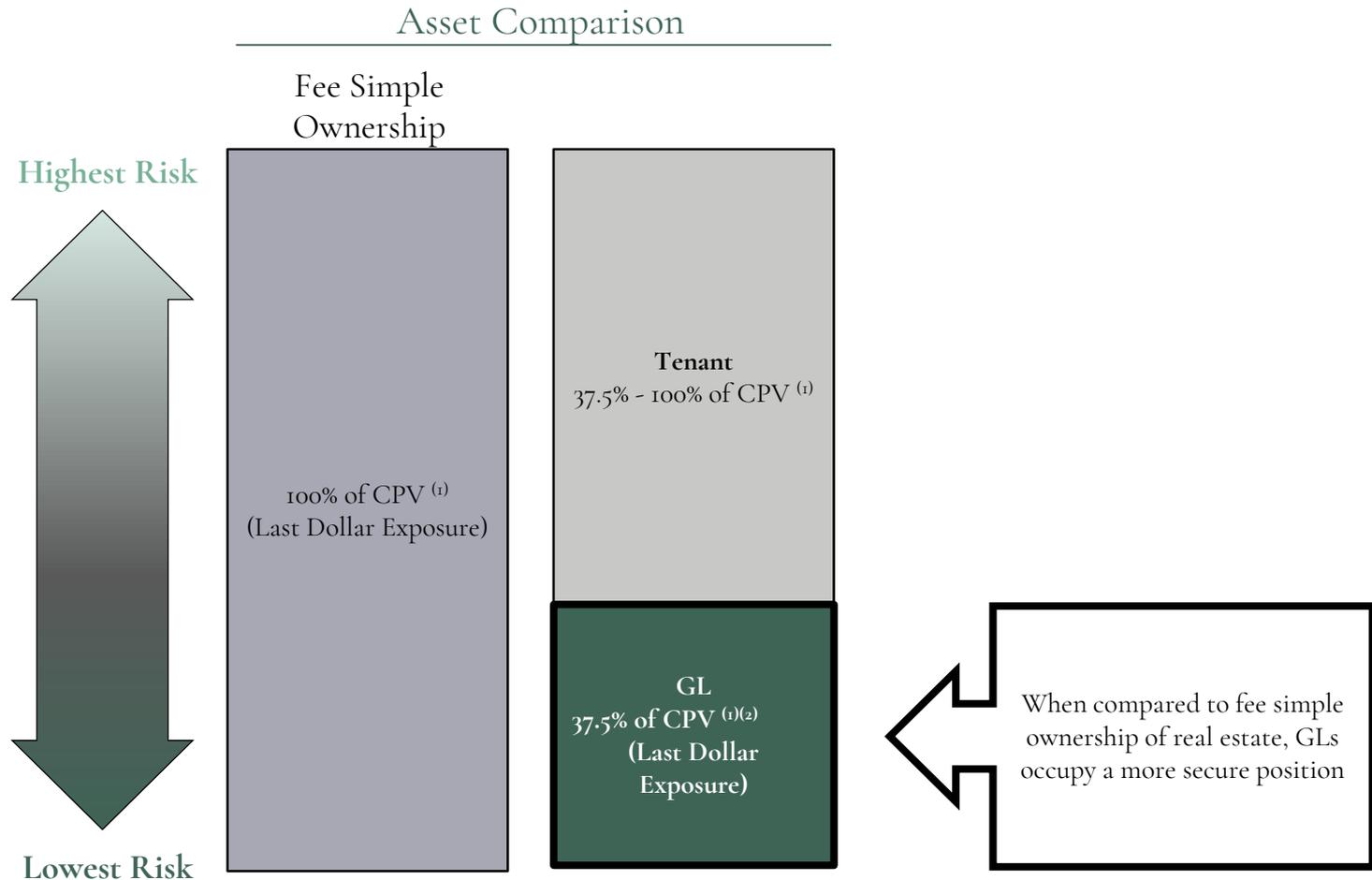
Tenant Repair and Maintenance Tenant obligated to maintain the underlying property

Remedies Upon Tenant Default Landlord (SAFE) entitled to terminate the lease, regain possession of the land and take ownership of the improvements

Reversion Right at Lease Expiration Possession / ownership of the land and improvements thereon revert to Landlord (SAFE) for no consideration

Safety:

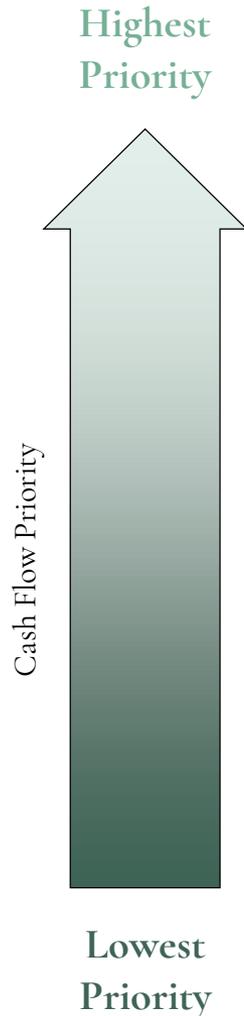
GLs Represent a Senior Position in the Capital Structure



- (1) Combined Property Value ("CPV") is the combined value of the land, buildings and improvements relating to a commercial property, as if there were no GL in place at the property.
- (2) Figure reflects midpoint of SAFE's targeted GL investment sizing of 30% - 45% of Combined Property Value.

Safety:

GL Cash Flow Represents a Senior Priority Position



Illustrative P&L Statement for Hypothetical Commercial Real Estate Asset Under a Ground Lease

Property Level Revenue	\$100
Property Level Expenses:	
Real Estate Taxes	(\$5)
Utilities	(10)
Ground Rent to Landlord (SAFE)	(15)
Other Operating Expenses	(25)
Net Operating Income	\$45
Interest Expense	(\$30)
Net Income	\$15
Capital Expenditures	(\$5)
Net Cash Flow to Equity	\$10

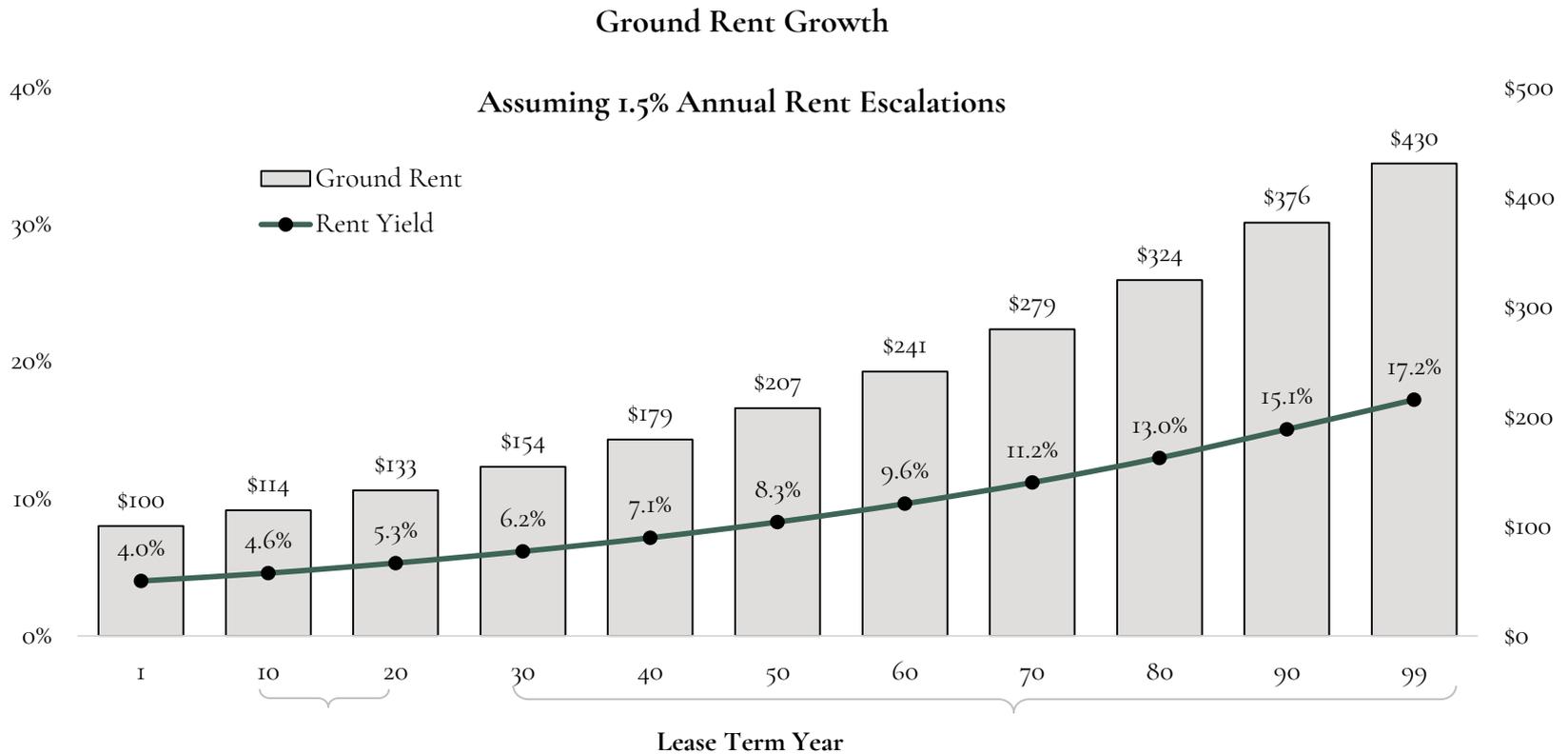
Ground rent paid to SAFE occupies a senior cash flow priority position

Note: \$ in millions.

Income Growth:

GLs Generate Growing Income

Contractual rent increases create organic, long-term compounding cash flows



Note: Reflects an illustrative example of how \$100 of initial annual ground rent grows when increased by 1.5% annually over the life of a hypothetical 99-year ground lease.

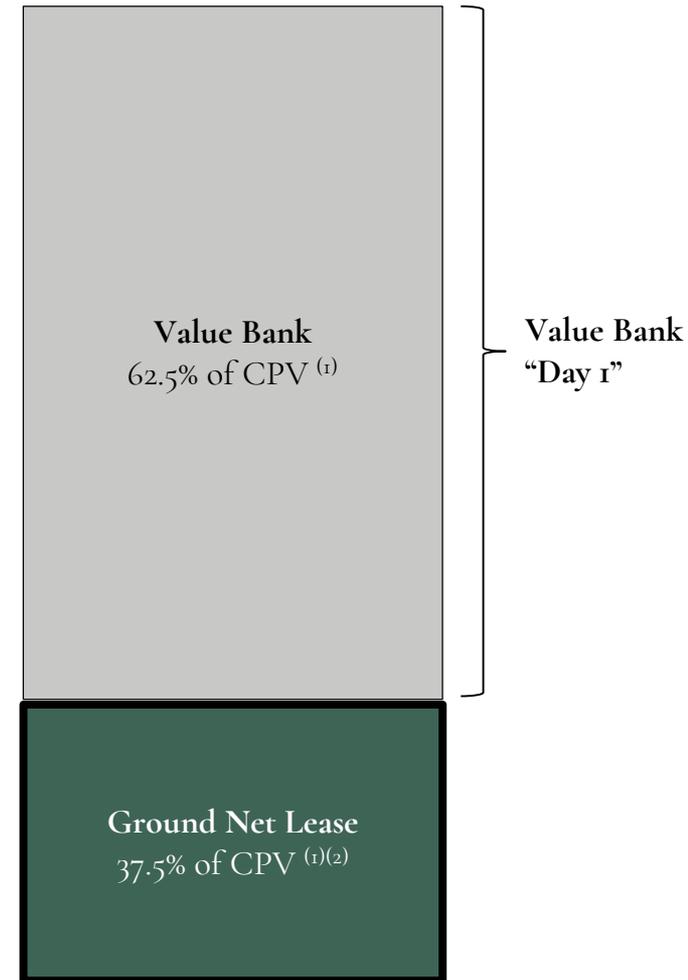
(i) Illustrative first year ROA reflects the midpoint of SAFE's targeted investment range of 3.0% - 5.0%.

Capital Appreciation:

GLs Provide Opportunity for a Growing Value Bank

- The second component of capital appreciation is the Value Bank inherent in most GLs
- Generally, when the lease term of a GL expires, the building and all cash flow / value contractually reverts to the Landlord (SAFE) for no additional consideration
- Because the initial GL basis is typically equivalent to 30 - 45% of the CPV⁽¹⁾, the remaining 55 - 70% of the CPV and any growth over time generally accrues to the ultimate benefit of the Landlord (SAFE)

Combined Property Value (CPV) ⁽¹⁾



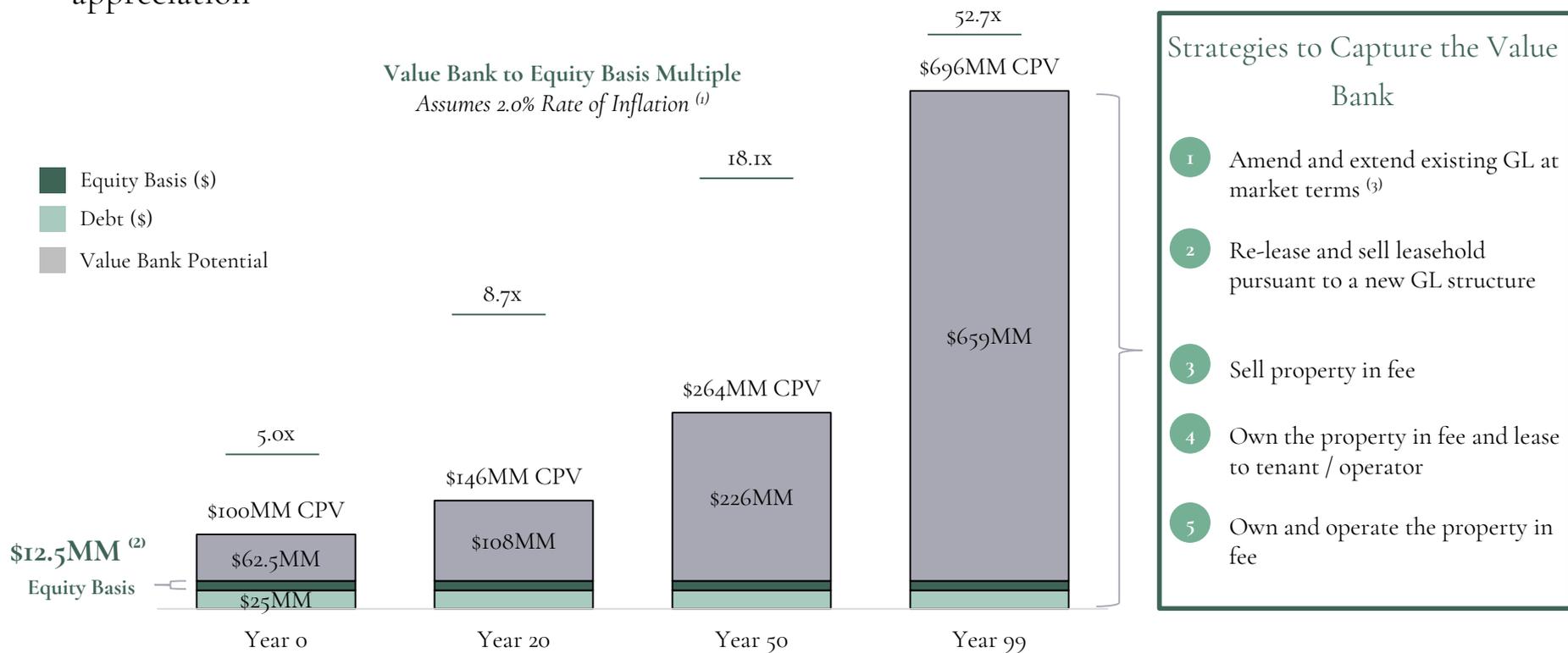
(1) Combined Property Value ("CPV") is the combined value of the land, buildings and improvements relating to a commercial property, as if there were no GL in place at the property.

(2) Figure reflects midpoint of SAFE's targeted GL investment sizing of 30% - 45% of Combined Property Value.

Capital Appreciation:

Illustrative Levered Value Bank Growth Over Time

A value bank that grows over time at the rate of inflation offers a potential source of capital appreciation



- (1) Illustrative analysis based on the historical relationship between inflation and commercial real estate values over long periods of time and assumes 2.0% rate of inflation based on the Federal Open Market Committee median inflation projection of 2.0% in the May 2017 meeting.
- (2) Assumes a \$37.5MM GL at 37.5% of CPV which reflects the midpoint of SAFE's targeted investment range of 30 - 45% of CPV. Combined Property Value ("CPV") is the combined value of the land, buildings and improvements relating to a commercial property, as if there were no GL in place at the property. Equity Basis represents the equity invested in a \$37.5MM GL that is levered 2.0x. The equity basis is assumed to remain \$12.5MM throughout the life of the ground lease. If the CPV increases over time, the equity basis as a percentage of CPV necessarily declines over time.
- (3) Landlord and Tenant may elect and agree to amend and extend the existing GL. In such event, Landlord (SAFE) would have the opportunity to capture a portion of the Value Bank prior to lease expiration.

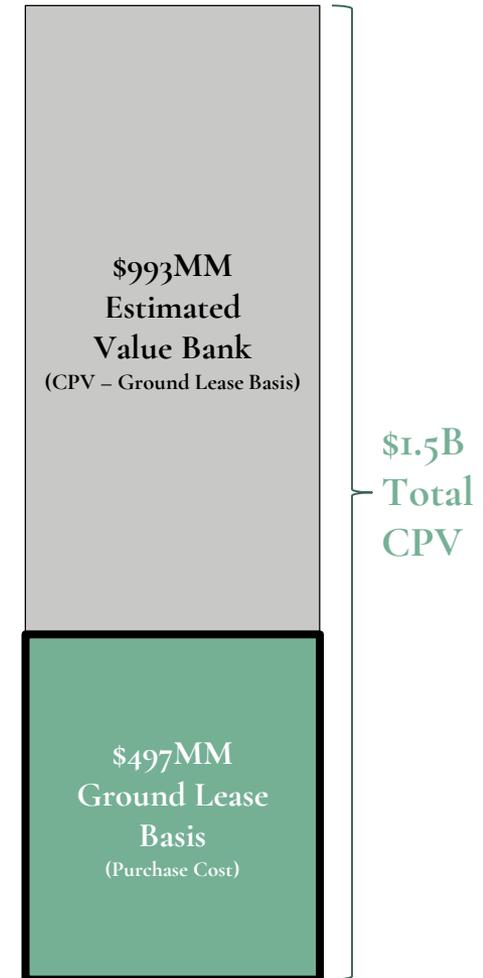
Capital Appreciation:

Value Bank of \$993MM or \$54.56 per Share

- At expiration or earlier termination of its Ground Leases, SAFE's reversion rights create additional potential value to stockholders by allowing SAFE to take title to the buildings / improvements on its land⁽¹⁾
- Value Bank is calculated as today's estimated Combined Property Value (CPV) less SAFE's Ground Lease Basis

\$1,490MM	Combined Property Value
- \$497MM	Ground Lease Basis
<hr/>	
\$993MM	Value Bank

CBRE conducted independent appraisals of the CPV of each asset⁽²⁾



(1) Our ability to recognize value through reversion rights may be limited by the rights of our tenants under some of our ground leases, including tenant rights to purchase the properties or level properties under certain circumstances. See our Current Report on Form 8-K filed with the SEC on October 26, 2017 and "Risk Factors" in our Prospectus, dated June 27, 2017, filed with the SEC, for a further discussion of such tenants rights.

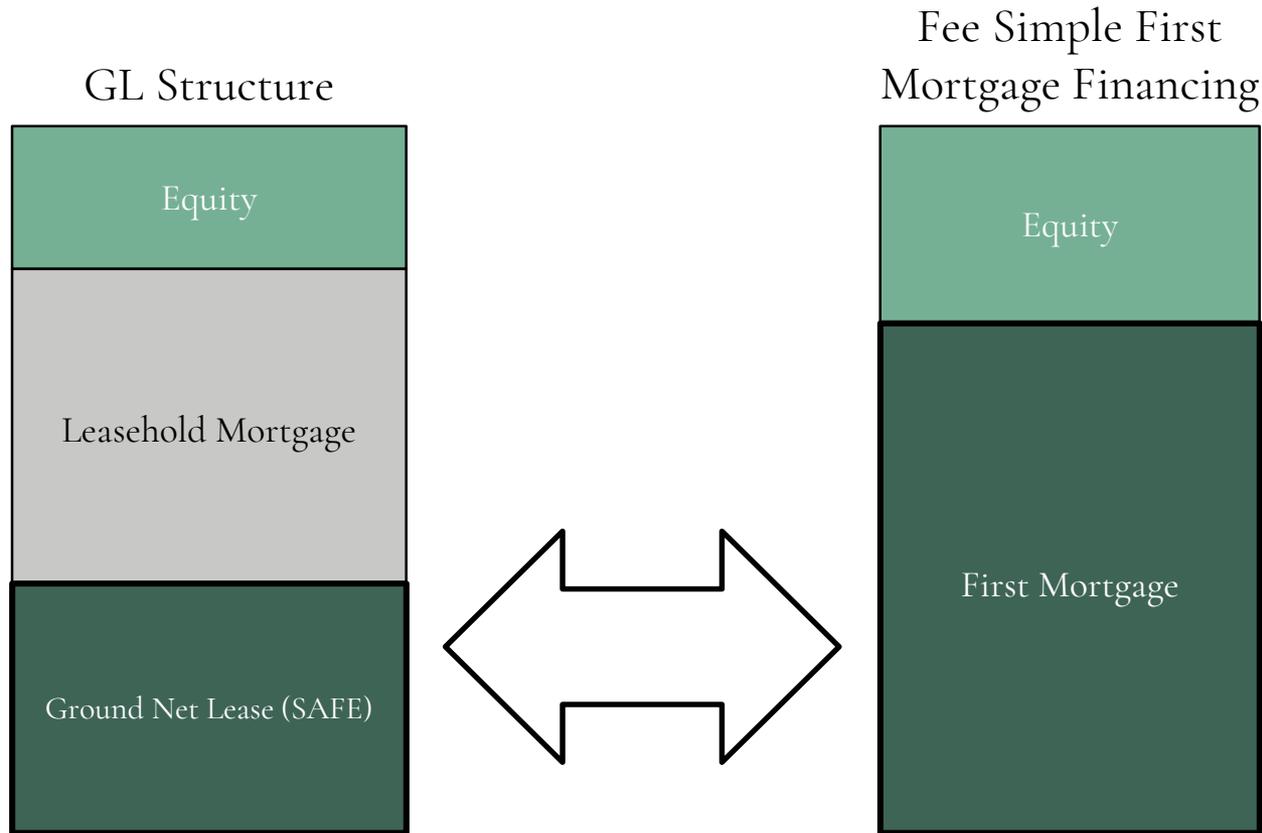
(2) SAFE may utilize management's estimate of CPV for ground lease investments recently acquired that CBRE has not yet appraised. See our 8-K filed October 26, 2017 with the SEC for additional detail on CBRE's valuation and our calculation of Value Bank.



The Relative Value

GLs Offer Attractive Risk-Adjusted Returns

Relative to First Mortgage Debt

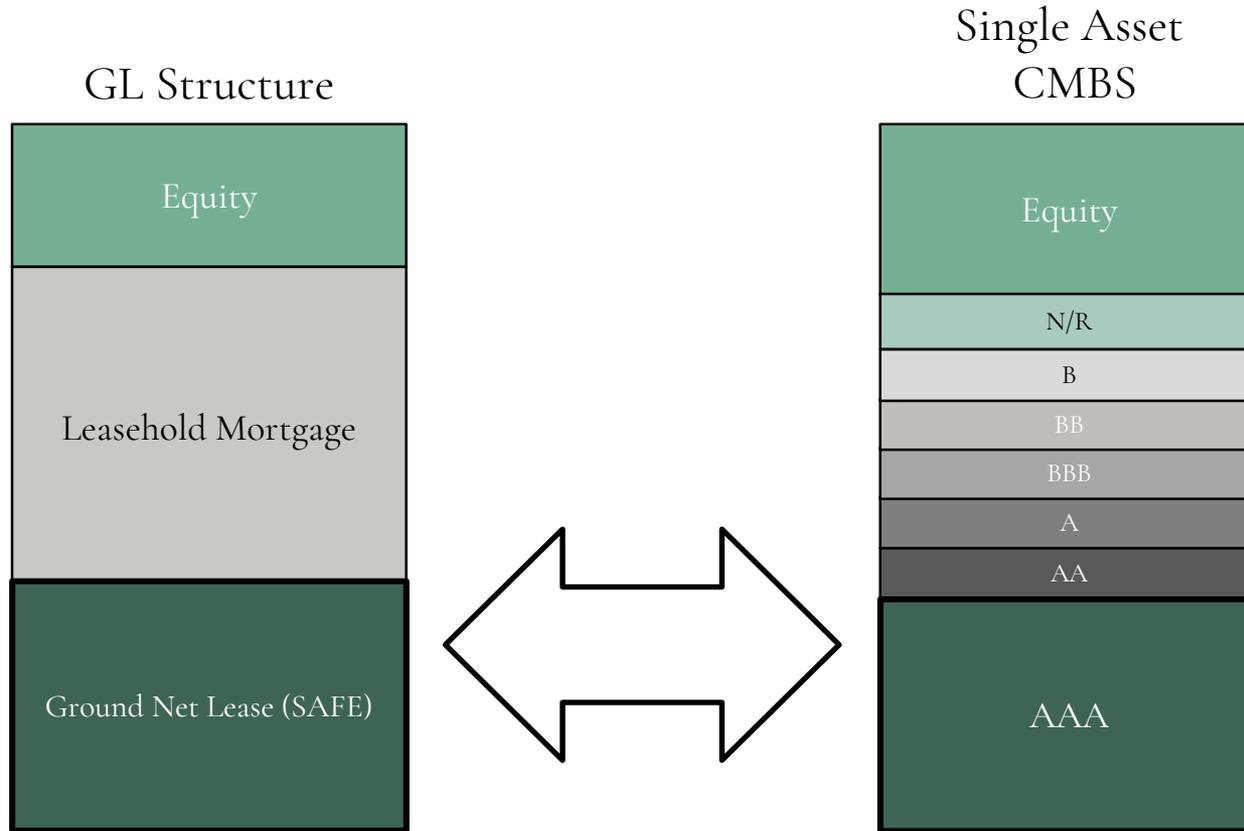


Investment Scorecard:

✓	Attractive Current Rate	✓
✓	Inflation Mitigation	✗
✓	High Grade Debt Risk Profile	✗
✓	Residual Upside	✗

GLs Offer Attractive Risk-Adjusted Returns

Relative to AAA CMBS



Investment Scorecard:

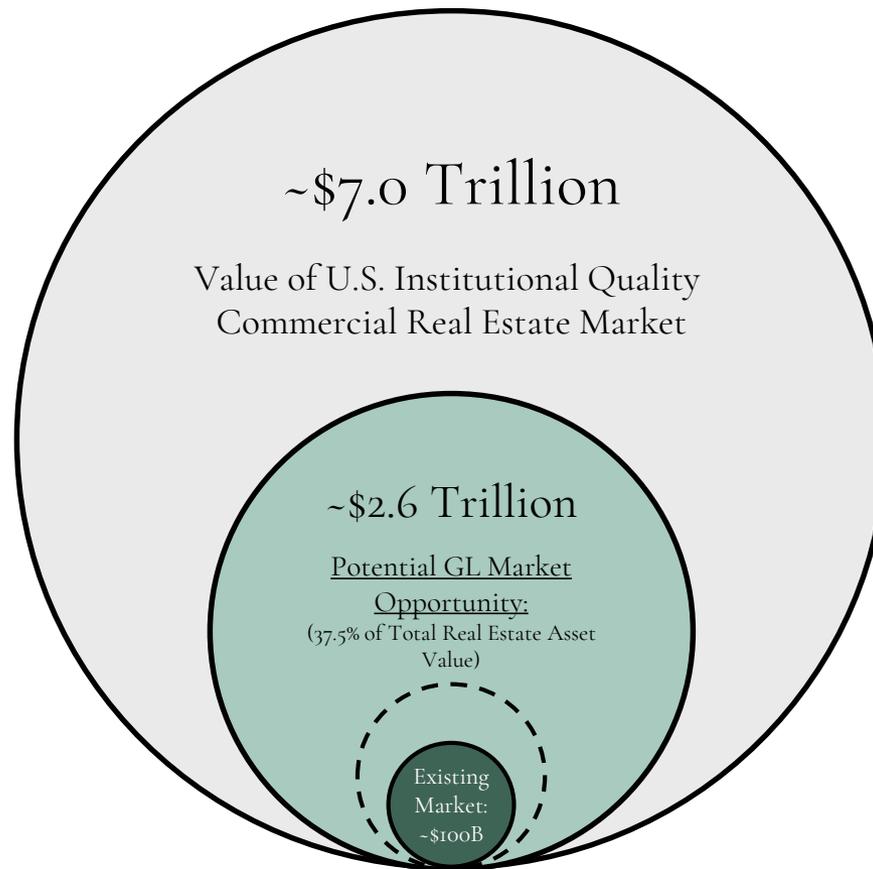
✓	Attractive Current Rate	✗
✓	Inflation Mitigation	✗
✓	High Grade Debt Risk Profile	✓
✓	Residual Upside	✗



The Market

Business and Growth Strategies

- The GL *market is fragmented* and comprised of limited participants
- Potential for further growth by *expanding the use of the GL structure* across the \$7.0T U.S. CRE market



Multi-Channel Origination & Sourcing Strategy

	Origination Mechanics	Primary Competition
Existing Market	Acquire Existing GLs	Life Co, Pension, HNW, Foreign, Separate Account
	Manufacture a GL with Third Party	None
Expansion Techniques	Originate a GL to Provide Capital for Development or Value-Add	Fee simple mortgage market, construction financing
	Acquire a Commercial Real Estate Property to Create a GL	Structured Investors, Opportunity Funds
	Finance Third Party GLs	Life Co, Pension, Mortgage REITs, Hedge Funds, CMBS

Disciplined Investment Criteria

We generally intend to target GLs that meet some or all of the following investment criteria:

Investment Size	\$20MM - \$250MM
Locations	High-barriers-to-entry major metropolitan areas
Cap Rate	First-year rent yields of 3.0% - 5.0%
Exposure to Property	Initially 30% - 45% of CPV ⁽¹⁾
Ground Rent Coverage ⁽²⁾	2.0x to 5.0x for the first year of the lease
Initial Lease Term	30 to 99 years
Rent Escalators	Periodic fixed or CPI-escalators or percent rent participations

(1) Combined Property Value ("CPV") is the combined value of the land, buildings and improvements relating to a commercial property, as if no GL was in place at the property.

(2) Ground Rent Coverage is the ratio of the underlying property cash NOI (excluding ground rent) to the annual base ground rent due under the GL for the initial twelve month period of the GL.



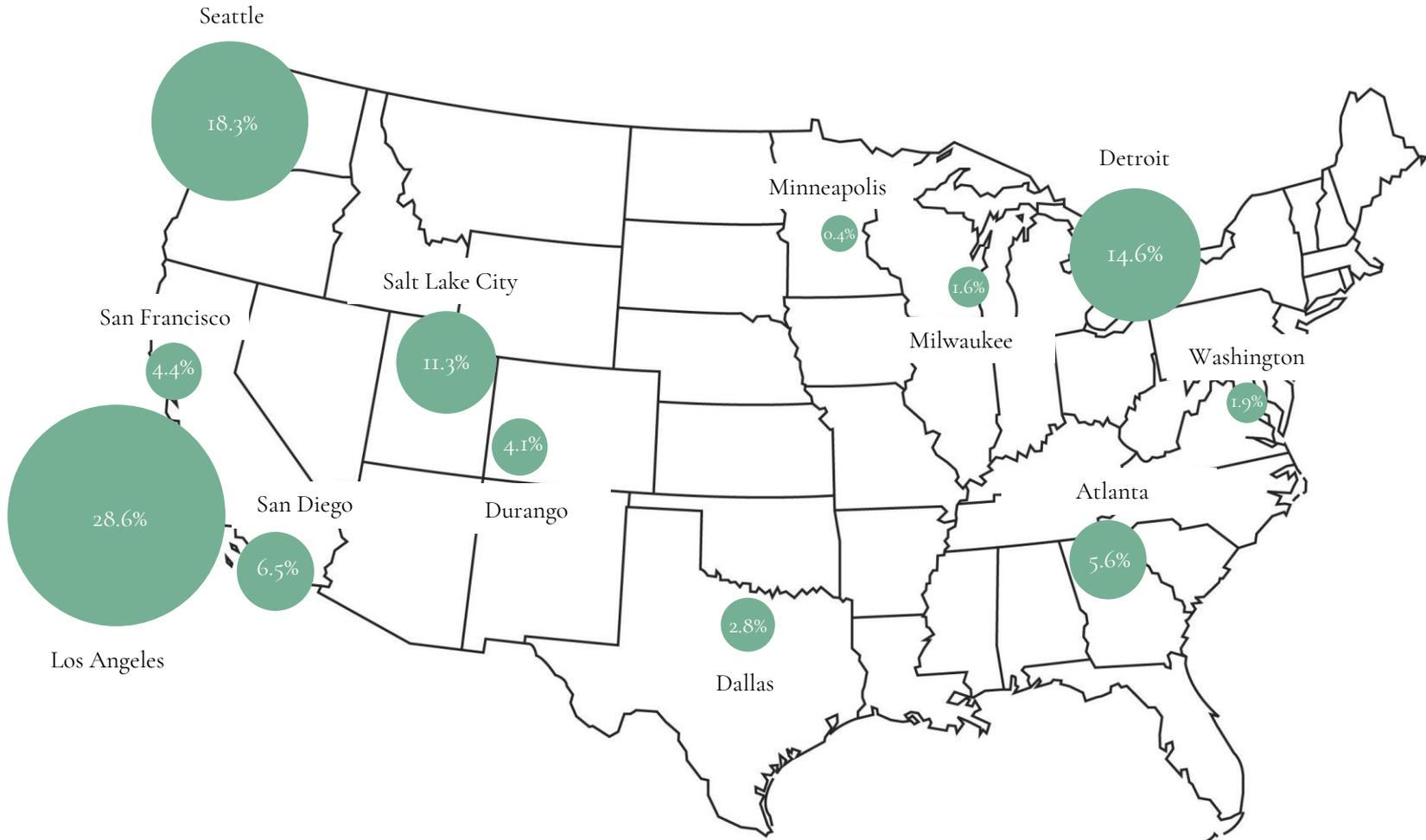
The Portfolio

Asset Summary

Property	Location (MSA)	Property Type	Lease Expiration / As Extended	Contractual Rent Escalations	In Place Base Rent (Annualized) ⁽¹⁾	TTM % Rent ⁽²⁾	Total Income Cash / GAAP ⁽³⁾	Underlying Property NOI to Ground Rent Coverage ⁽⁴⁾
Doubletree Seattle Airport ⁽⁵⁾⁽⁶⁾	Seattle, WA	Hospitality	2025 / 2035	% Rent	\$4.5	\$1.0	\$5.5 / \$5.5	3.3x
One Ally Center	Detroit, MI	Office	2114 / 2174	1.5% / p.a. ⁽⁷⁾	2.6	N/A	2.6 / 5.3	>5.0x ⁽⁸⁾
Hilton Salt Lake ⁽⁵⁾	Salt Lake City, UT	Hospitality	2025 / 2035	% Rent	2.7	0.6	3.3 / 3.3	3.7x
6200 Hollywood (South)	Los Angeles, CA	Multi-Family	2104 / 2104	% of CPI / 4yrs ⁽⁹⁾	2.6	N/A	2.6 / 2.6	>5.4x ⁽¹⁰⁾
LifeHope Medical Campus	Atlanta, GA	Office	2116 / 2176	2.0% / p.a.	0.9	N/A	0.9 / 2.6	3.6x ⁽¹¹⁾
6201 Hollywood (North)	Los Angeles, CA	Multi-Family	2104 / 2104	% of CPI / 4yrs ⁽¹²⁾	2.4	N/A	2.4 / 2.5	>6.0x ⁽¹³⁾
Doubletree Mission Valley ⁽⁵⁾	San Diego, CA	Hospitality	2025 / 2035	% Rent	1.1	0.7	1.8 / 1.8	6.0x
Doubletree Durango ⁽⁵⁾	Durango, CO	Hospitality	2025 / 2035	% Rent	0.9	0.3	1.2 / 1.2	3.3x
Doubletree Sonoma ⁽⁵⁾	San Francisco, CA	Hospitality	2025 / 2035	% Rent	0.7	0.4	1.1 / 1.1	4.9x
Northside Forsyth Hospital Medical Center	Atlanta, GA	Office	2115 / 2175	1.5% / p.a. ⁽¹⁴⁾	0.5	N/A	0.5 / 1.1	3.0x
Dallas Market Center: Sheraton Suites	Dallas, TX	Hospitality	2114 / 2114	2.0% / p.a. ⁽¹⁵⁾	0.4	N/A	0.4 / 1.0	5.9x ⁽¹⁶⁾
The Buckler Apartments	Milwaukee, WI	Multi-Family	2112 / 2112	15% / 10yrs	0.3	N/A	0.3 / 1.0	9.2x
NASA/JPSS Headquarters	Washington, D.C.	Office	2075 / 2105	3.0% / 5yrs	0.4	N/A	0.4 / 0.4	4.9x
Lock Up Self Storage Facility	Minneapolis, MN	Industrial	2037 / 2037	3.5% / 2yrs	0.1	N/A	0.1 / 0.1	6.5x ⁽¹⁶⁾
Dallas Market Center: Marriott Courtyard	Dallas, TX	Hospitality	2026 / 2066	% Rent	0.1	0.2	0.3 / 0.0	18.5x ⁽¹⁶⁾
Total / Weighted Avg.			49 / 67 yrs		\$20.2	\$3.2	\$23.4 / \$29.5	4.59x ⁽¹⁷⁾ / 4.64x ⁽¹⁸⁾

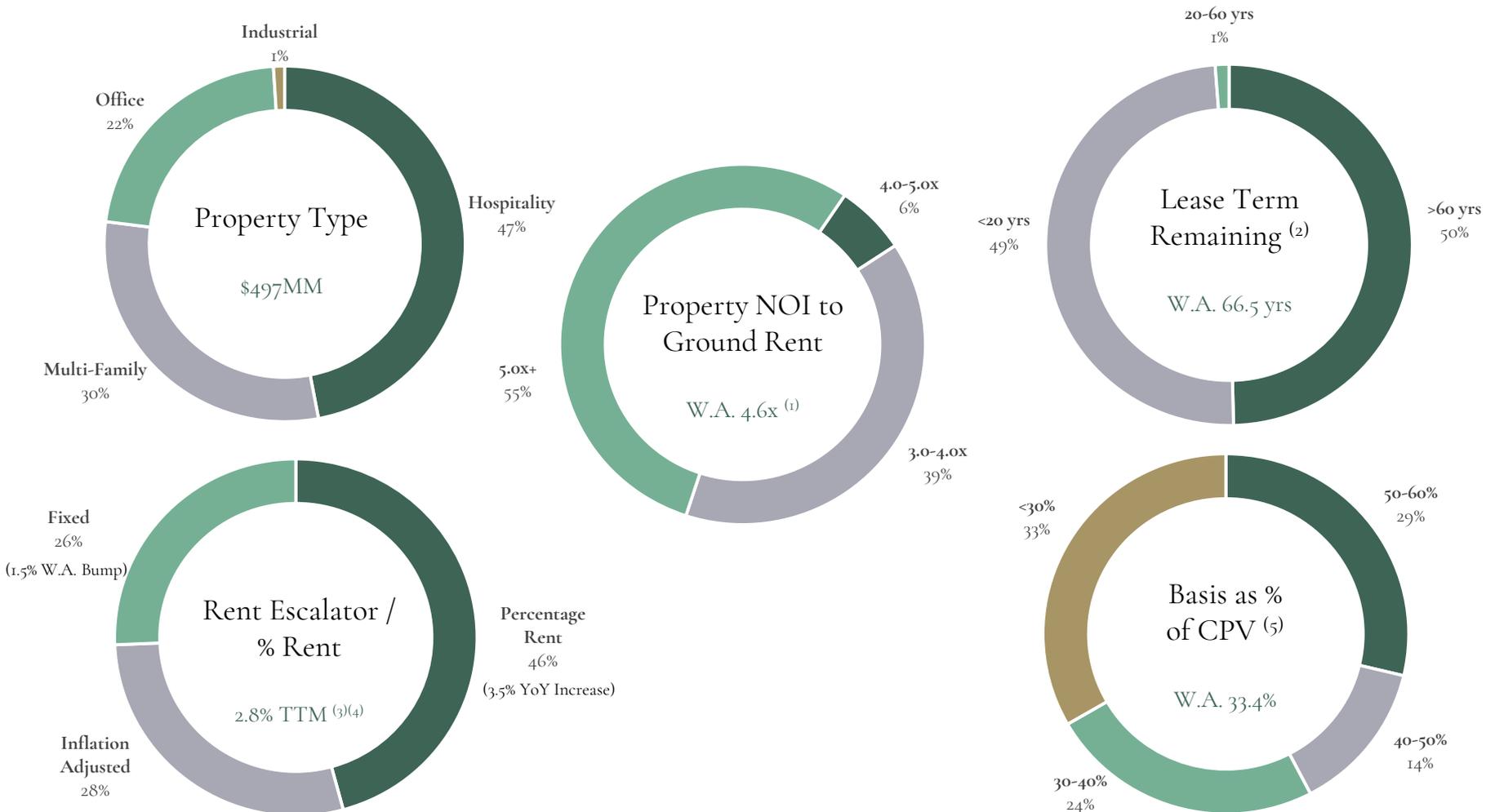
Note: Ranked by Total GAAP Income. See “End Notes” slide for footnotes.

Geographic Diversification by MSA



Note: Percentages based on total Ground Lease Basis of \$497 million.

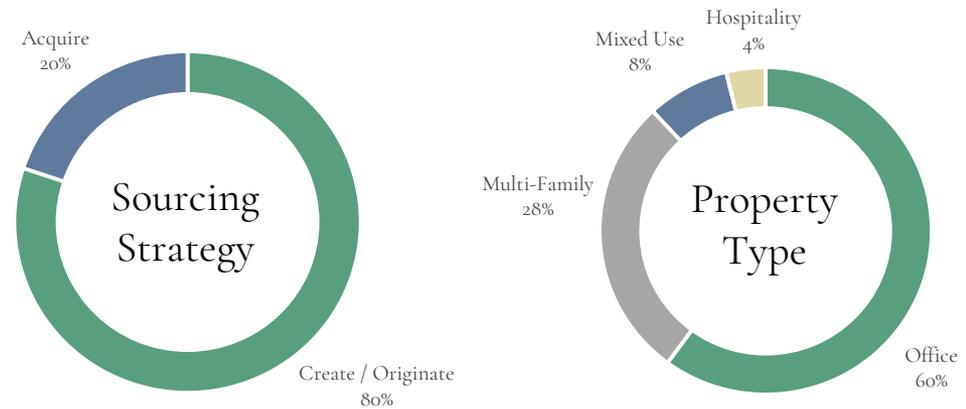
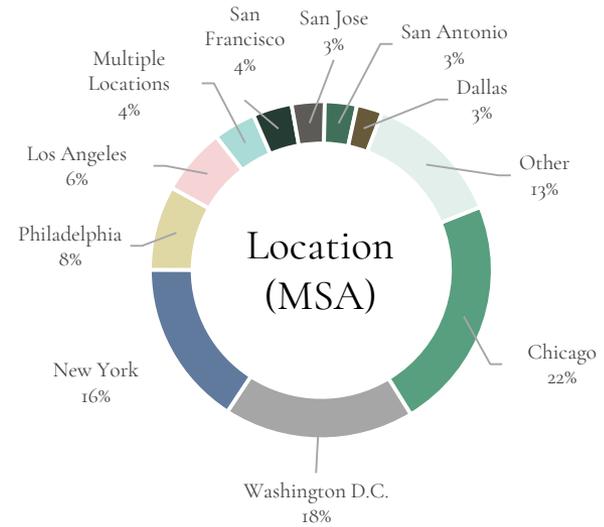
Portfolio Stratification



- (1) Includes our estimated underwritten Underlying Property NOI. Additionally, this includes ground rent coverage at stabilization of properties under development, assuming construction is completed within our expected timeframe. Company estimates are based on available market information including leasing activity at comparable properties in the applicable markets.
- (2) Weighted based on in-place base rent; assumes leases are fully extended based on in-place rent.
- (3) Excluding 6200 & 6201 Hollywood Blvd which are inflation-adjusted and were acquired in Q2'17. Excluding LifeHope which was acquired in Q3'17.
- (4) CPI for TTM was 1.6%.
- (5) CPV is Combined Property Value. See Glossary.

Pipeline

\$1.1B Pipeline



Note: There can be no assurance that SAFE will acquire or originate any of the investments currently being pursued on favorable terms or at all. Percentages are based on estimated ground lease value.

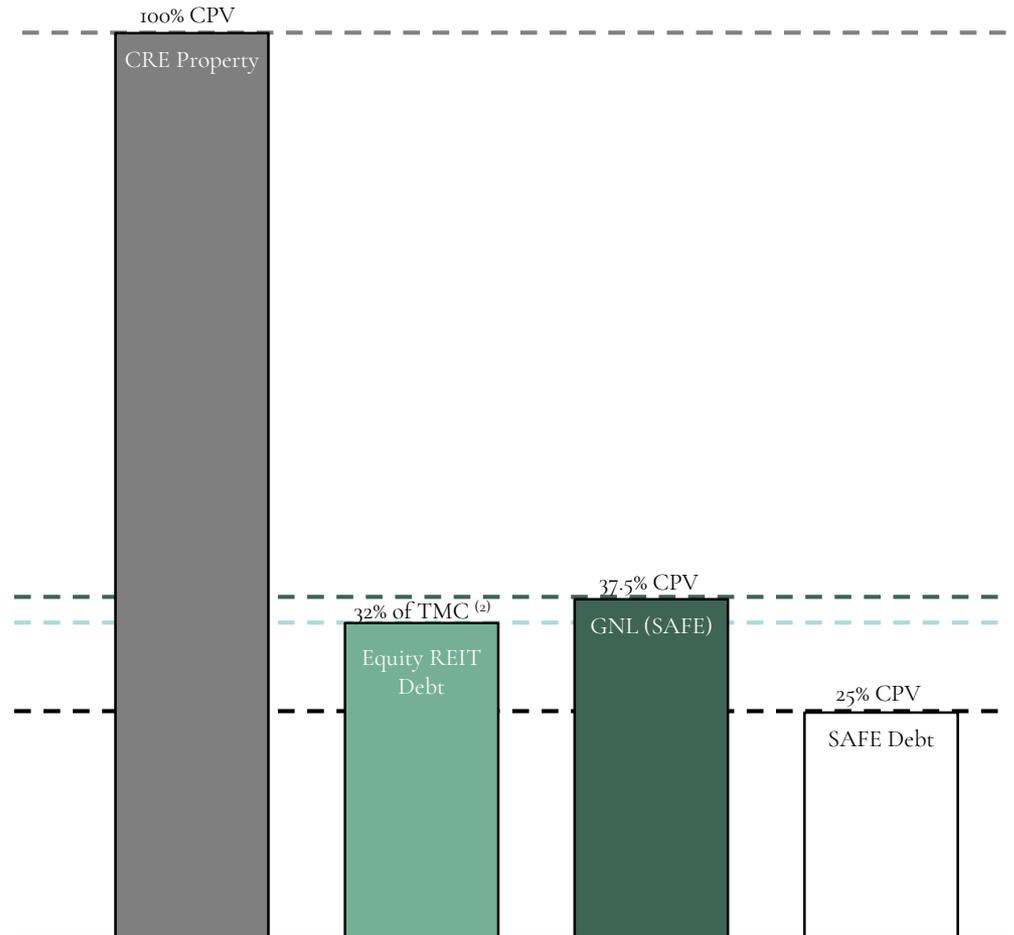


The Company

Balance Sheet Strategy

- Maintain a strong equity profile and an appropriately leveraged balance sheet
- An initial target leverage of approximately 25% of the Combined Property Value⁽¹⁾ and maintain an overall corporate debt to equity ratio of approximately 2.0x

Illustrative Financing Scenario



(1) Combined Property Value ("CPV") is the combined value of the land, buildings and improvements relating to a commercial property, as if there were no GL in place at the property.

(2) Represents 2-year average as reported by NAREIT pursuant to the REIT Industry Monthly Data for April 2017.

Stockholder-Friendly Management Contract

Best-in-class management contract and fee arrangement to support growth

Manager	Wholly owned subsidiary of iStar Inc.
Management Fee	1.0% of total shareholder's equity ⁽¹⁾ (up to \$2.5B) 0.75% of total shareholder's equity ⁽¹⁾ (> \$2.5B)
Management Fee Consideration	Payment will be in SAFE stock (at the greater of the volume weighted average market price of our stock during the quarter for which the fee is being paid or the IPO price)
Lock-up	Restriction from selling common stock received for management fees for 2 years from the date of such issuance ⁽²⁾
Management Fee Waiver	No management fee paid to manager during first year
Incentive Fee	None (alignment as largest shareholder)
Term	1 Year
Renewal Provision	Annual renewal to be approved by majority of SAFE independent directors
Termination Fee	None

(1) Based on the total stockholder's equity.

(2) Such restriction will terminate at the effective date of the termination of the management agreement.

Stockholder Friendly Corporate Governance

Strong corporate governance model facilitates corporate accountability and stockholder alignment

Board of Directors

Majority Independent Board

Non-staggered Board

Lead Independent Director

Exclusivity agreement with iStar will provide SAFE with a first look at GL investments ⁽¹⁾

Corporate Governance

Opted out of the MGCL Business Combination Act

Opted out of the MGCL Control Share Act

Opted out of MUTA

No stockholder rights plan ⁽²⁾

-
- (1) iStar will not acquire, originate, invest in, or provide financing for a third party's acquisition of, a GL unless it has first offered that opportunity to SAFE. The exclusivity agreement will not apply to opportunities that include only an incidental interest in GLs or opportunities to manufacture or otherwise create a GL from a property that has been owned by iStar's existing net lease venture with GIC for at least three years after the closing of the offering.
 - (2) Board may not adopt a stockholder rights plan without majority stockholder approval, except if the Board determines that seeking stockholder approval will not be in the best interests under the then existing circumstances. If a stockholder rights plan is adopted by the board without prior stockholder approval, such plan will expire on the next annual stockholders meeting held after the first anniversary of the adoption of such plan

Conclusion

1

Unique Market Opportunity

- First and Only Public Company
- Large and Untapped Market
- Best Origination Capabilities

2

Strong Relative Value

- Investment Grade Cash Flows
- Growing, Inflation Protected Income
- Imbedded Capital Gains from Rent Bumps and Value Bank

3

Motivated Sponsor Driven to Succeed

- Strong Institutional Backing
- Manager is Largest Shareholder
- Subsidized Management Agreement

Appendix

Appendix

Glossary

Ground Lease Basis	Ground Lease Basis is the historical purchase price paid by SAFE to acquire or originate a ground lease.
Combined Property Value (CPV)	The current combined value of the land, buildings and improvements relating to a commercial property, as if there was no Ground Lease on the land at the property. CPV is based on independent appraisals by CBRE. The Company will use management estimates for recently acquired and originated ground leases for which appraisals from CBRE are not yet available.
Basis as % of CPV	Calculated as our Ground Lease Basis divided by CPV. We believe the metric is an indicative measure of the safety of our position in a real estate property's capital structure and represents our last-dollar economic exposure to the underlying property values.
Value Bank	Calculated as the difference between CPV and Ground Lease Basis. We believe Value Bank represents additional potential value to SAFE stockholders through the reversion rights embedded in standard ground leases.
Ground Rent Coverage	The ratio of the Underlying Property's NOI to the annualized base rental payment due to us. We believe the metric is indicative of our seniority in a property's cash flow waterfall. Underlying Property NOI is based on information reported to us by our tenants without an independent investigation or verification by us. We are prohibited from publically disclosing the Underlying Property NOI at One Ally Center pursuant to a confidentiality agreement with the tenant. We have estimated the ground rent coverage for One Ally Center based upon available market information.
Funds from Operations (FFO)	FFO is computed in accordance with the National Association of Real Estate Investment Trusts (NAREIT) which defines FFO as net income (determined in accordance with GAAP), excluding gains or losses from sales of depreciable operating property, plus real estate-related depreciation and amortization.
Adjusted Funds from Operations (AFFO)	Calculated by adding (or subtracting) to FFO the following items: straight-line rental income, the amortization of real estate-related intangibles, stock-based compensation, acquisition costs, non-cash management fees, and expense reimbursements, the amortization of deferred financing costs and other expenses related to debt obligations.
FCCR, as adjusted	Fixed Charge Coverage Ratio computed as annualized adjusted EBITDA divided by annualized fixed interest charges.
Adjusted EBITDA	Calculated as the sum of annualized AFFO prior to interest expense and the TTM percent rent payments from Hilton Western Portfolio.
Underlying Property NOI	With respect to a property, the net operating income of the commercial real estate being operated at the property without giving effect to any rent paid or payable under our ground lease. Net operating income is calculated as property-level revenues less property-level operating expenses as reported to us by the tenant. We rely on net operating income as reported to us by our tenants without any independent investigation by us. We are prohibited from publically disclosing the Underlying Property NOI at One Ally Center pursuant to a confidentiality agreement with the tenant; therefore, in this presentation we have provided information using an assumed Underlying Property NOI at One Ally Center, we have also presented the same information excluding all assumed Underlying Property NOI at One Ally Center.
Leverage	The ratio of book debt to book equity.

Appendix

End Notes

- (1) Annualized cash base rental income in place as of September 30, 2017.
- (2) Total percentage cash rental income during the 12 months ended September 30, 2017.
- (3) Total GAAP Income reflects total cash rent adjusted for non-cash income and expenses, primarily consisting of straight-line rent, to conform with GAAP.
- (4) Ground Rent Coverage is the ratio of the underlying property cash NOI (excluding ground rent) to the annualized in-place base ground rent.
- (5) Property is part of the Hilton Western Portfolio and is subject to a single master lease. In November 2016, the master lease governing the Hilton Western Portfolio which consists of five properties was amended to change the look back period for which annual percentage rent is computed from the trailing twelve months ended September 30th to the trailing twelve months ended December 31st. In March 2017, the Company recorded \$0.5 million of income representing a one-time stub payment of percentage rent for the 3 months ended December 31st, 2016, to account for the change in the look back period. The aggregate \$3.0 million percentage rent shown for the hotels comprising the Hilton Western excludes the one time \$0.5 million stub period payment.
- (6) A majority of the land underlying this property is owned by a third party and is ground leased to us through 2044 for \$0.4 million per year (subject to adjustment for changes in the CPI); however, our tenant pays this cost directly to the third party.
- (7) During each 10th lease year, annual fixed rent is adjusted to the greater of (i) 1.5% over the prior year's rent, or (ii) the product of the rent applicable in the initial year of the 10 year period multiplied by a CPI factor, subject to a cap on the increase of 20% of the rent applicable in that initial year.
- (8) Represents the Company's estimate of Ground Rent Coverage, is based on the Company's estimate stabilized net operating income, without giving effect to any rent abatements. Underlying Property NOI information provided by our Ground Lease tenant is confidential. Company estimate is based on available market information.
- (9) Base rent is subject to increase every 4 years based on a percentage of growth in the CPI for the greater Los Angeles area, California in that time span. Rent increase capped at 12.0% from one rent period to the next. Next potential base increase is May 2018. Notwithstanding the foregoing, in 2058 and 2078, the annual base rent will be reset based on a calculation derived from the then fair market value of the land, but not less than the annual base rent that was in effect before the reset.
- (10) The property is currently under construction. We currently expect construction to be completed in 2018. Represents our underwritten expected net operating income at the property upon stabilization and our estimated Ground Rent Coverage.

End Notes – (cont'd)

- (11) The property is currently under renovation. We expect renovations to be completed in April 2018. Represents underwritten expected NOI at the property upon stabilization and our estimated Ground Rent Coverage.
- (12) Base rent is subject to increase every 4 years based on a percentage of growth in the CPI for the greater Los Angeles area, California in that time span. Rent increase capped at 12.0% from one rent period to the next. The next potential base increase is February 2019. Notwithstanding the foregoing, in 2059 and 2079, the annual base rent will be reset based on a calculation derived from the then fair market value of the land, but not less than the annual base rent that was in effect before the reset.
- (13) Construction was completed in 2016 and the property is currently in the lease up phase. A full year of property results is not yet available. Represents our underwritten expected net operating income at the property upon stabilization and our estimated Ground Rent Coverage. Company estimates are based on leasing activity at the property and available market information, including leasing activity at comparable properties in the market.
- (14) During each 10th lease year, annual fixed rent is adjusted to the greater of (i) 1.5% over the prior year's rent, or (ii) the product of the rent applicable in the initial year of the 10 year period multiplied by a CPI factor, subject to a cap on the increase of 20% of the prior year's rent.
- (15) For the 51st through 99th years of the lease, the base rent is the greater of (i) the annual rent calculated based on 2.0% annual rent escalation throughout the term of the lease, and (ii) the fair market rental value of the property.
- (16) Underlying property cash NOI is based on June 30, 2017
- (17) The weighted average of the Ground Rent Coverage is calculated by dividing the Underlying Property NOI by the annualized in-place base rent of \$20.2MM. Underlying Property NOI is based on September 30, 2017 unless otherwise noted. Excludes estimates for One Ally Center.
- (18) The weighted average of the Ground Rent Coverage is calculated by dividing the Underlying Property NOI by the annualized in-place base rent of \$20.1 million. Underlying Property NOI is based on September 30, 2017 unless otherwise noted. Includes estimates for One Ally Center.