

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-2224

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name OAKTON NET LEASE I REIT		2 Issuer's employer identification number (EIN) 46-7298309	
3 Name of contact for additional information MICHAEL EAGAN	4 Telephone No. of contact 212-930-9400	5 Email address of contact MEAGAN@ISTARFINANCIAL.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 1114 AVENUE OF THE AMERICAS, 39TH FLOOR		7 City, town, or post office, state, and Zip code of contact NEW YORK, NY 10036	
8 Date of action 12/31/14		9 Classification and description NONTAXABLE DISTRIBUTION TO SHAREHOLDERS	
10 CUSIP number N/A	11 Serial number(s) N/A	12 Ticker symbol N/A	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► THE TAXPAYER MADE CASH DISTRIBUTIONS TO ITS SHAREHOLDERS IN EXCESS OF ITS CURRENT AND ACCUMULATED EARNINGS AND PROFITS. SEE PART II, LINE 15 FOR THE DATE AND AMOUNT OF THESE DISTRIBUTIONS PER SHARE.

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 ► THE DISTRIBUTIONS REDUCED THE BASIS OF THE SECURITIES IN THE HANDS OF THE U.S. TAXPAYER AS MENTIONED ON THE ATTACHED STATEMENT.

16 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 TAXPAYER'S EARNINGS AND PROFITS WERE CALCULATED UNDER IRC §312, AS MODIFIED BY IRC §857(d) FOR A REAL ESTATE INVESTMENT TRUST, AND THE REGULATIONS THEREUNDER. AMOUNTS IN EXCESS OF EARNINGS AND PROFITS REDUCE THE SHAREHOLDER'S TAX BASIS IN ITS SHARES TO THE EXTENT OF BASIS.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► IRC §301(c)(2)

18 Can any resulting loss be recognized? ► NO

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► _____

THESE ACTIONS ARE EFFECTIVE ON THE DATE OF DISTRIBUTION AS MENTIONED ON THE ATTACHED STATEMENT.

**Sign
Here**

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.

Signature ►

Date ►

Print your name ► MICHAEL EAGAN

Title ► VICE PRESIDENT - TAX

**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if
self-employed

PTIN

Firm's name ►

Firm's EIN ►

Firm's address ►

Phone no.

Form 8937

OAKTON NET LEASE I REIT

PART II, LINE 15:

Per Share Reduction of Basis

Class B Preferred Shares:

DISTRIBUTION DATE	AMOUNTS
12/31/2014	25.67