

LETTER FROM THE CEO

Dear IIP Operating Partnership, LP Employee:

Innovative Industrial Properties, Inc. (including IIP Operating Partnership, LP and their respective subsidiaries, the “Company”) is dedicated to conducting its business consistent with the highest standards of business ethics. We have an obligation to our employees, stockholders, tenants, contractors, real estate brokers/agents, partners, lenders, community representatives and other business contacts to be honest, fair and forthright in all of our business activities.

As an employee of the Company, you are faced every day with a number of business decisions. It is your personal responsibility to uphold the Company’s high standards of business ethics in each one of these situations. It is not possible for our Code of Business Conduct and Ethics (the “Code”) to address every situation that you may face. If you use your good business judgment and experience, your business decisions are not likely to raise ethical issues. When you are faced with an ethical issue, we hope that this Code will serve as a guide to help you make the right choice.

We encourage you to take this opportunity to review our policies and to discuss any questions you may have with your supervisor or with the General Counsel directly. The guidelines set out in this Code are to be followed at all levels of this organization by our directors, officers and employees. We rely on you to uphold our core values and conduct our business honestly, fairly and with integrity.

Sincerely,

Paul E. Smithers
Chief Executive Officer

INTRODUCTION

Purpose

This Code of Business Conduct and Ethics contains general guidelines for conducting the business of the Company consistent with the highest standards of business ethics. This Code should be considered a minimum standard. To the extent that this Code requires a higher standard than required by commercial practice or applicable laws, rules or regulations, we adhere to these higher standards.

This Code applies to all of our directors, officers and employees. We refer to all persons covered by this Code as “Company employees” or simply “employees.” We refer to any officer with a title of executive vice president or higher as an “executive officer.” We also refer to our Chief Executive Officer, our Chief Financial Officer and our Chief Accounting Officer as our “principal financial officers.”

Seeking Help and Information

This Code is not intended to be a comprehensive rulebook and cannot address every situation that you may face. If you feel uncomfortable about a situation or have any doubts about whether it is consistent with the Company’s ethical standards, seek help. We encourage you to contact your supervisor for help first. If your supervisor cannot answer your question or if you do not feel comfortable contacting your supervisor, contact the General Counsel directly.

General Counsel
Brian Wolfe, Esq.
Vice President, General Counsel and Secretary
Innovative Industrial Properties, Inc.
11440 West Bernardo Court, Suite 100
San Diego, CA 92127

Reporting Violations of the Code

- How to Report a Possible Violation or Concern.

All employees have a duty to report any known or suspected violation of this Code, including any violation of the laws, rules, regulations or policies that apply to the Company.

If you know of or suspect a violation of this Code, immediately report the conduct to your supervisor. Your supervisor will contact the General Counsel, who will work with you and your supervisor to investigate your concern. If you do not feel comfortable reporting the conduct to your supervisor or you do not get a satisfactory response, you may contact the General Counsel directly. All reports of known or suspected violations of the law or this Code will be handled sensitively and with discretion. Your supervisor, the

General Counsel and the Company will protect your confidentiality to the extent possible, consistent with law and the Company's need to investigate your concern.

For additional information on how to submit a report concerning questionable accounting or auditing matters, please see *Exhibit 1: Procedures for Submission of Complaints Under the Audit Committee Complaint Procedures*.

- Discipline.

It is Company policy that any employee who violates this Code will be subject to appropriate discipline, which may include termination of employment. This determination will be based upon the facts and circumstances of each particular situation.

Employees who violate the law or this Code may expose themselves to substantial civil damages, criminal fines and prison terms.

The Company may also face substantial fines and penalties and may incur damage to its reputation and standing in the community. Your conduct as a representative of the Company, if it does not comply with the law or with this Code, can result in serious consequences for both you and the Company.

Policy Against Retaliation

The Company prohibits retaliation against an employee who, in good faith, seeks help or reports known or suspected violations. Any reprisal or retaliation against an employee because the employee, in good faith, sought help or filed a report will be subject to disciplinary action, including potential termination of employment. If you believe you have been the subject of retaliation, please contact the General Counsel immediately.

Waivers of the Code

Waivers of this Code will only be granted in extraordinary circumstances. Any waiver of this Code for our employees other than executive officers and principal financial officers may be made only by our General Counsel or Chief Executive Officer. Any waiver of this Code for our directors, executive officers or other principal financial officers may be made only by our Board of Directors or the appropriate committee of our Board of Directors and will be promptly disclosed to the public to the extent required by law or the rules of the New York Stock Exchange. Any waiver granted shall not constitute a waiver for future purposes or bind the Company to grant any such waiver in the future.

CONFLICTS OF INTEREST

Identifying Potential Conflicts of Interest

A conflict of interest can occur when the private interest of an employee or his or her family member interferes, or reasonably appears to interfere, with the interests of the Company as a

whole. You should avoid any private interest that influences your ability to act in the interests of the Company or that makes it difficult to perform your work objectively and effectively.

Identifying potential conflicts of interest may not always be clear-cut. The following situations are examples of conflicts of interest:

- Outside Employment and Service on Boards. No employee should be employed by, serve as a director of, or provide any services to a company that is a material tenant, contractor, real estate broker/agent, partner, lender, supplier or competitor of the Company.
- Improper Personal Benefits. No employee should obtain any material (as to him or her) improper personal benefits or favors because of his or her position with the Company. Please see “Gifts and Entertainment” below for additional guidelines in this area.
- Financial Interests. No employee should have a significant financial interest (ownership or otherwise) in any company that is a material tenant, contractor, real estate broker/agent, partner, lender, supplier or competitor of the Company. A “significant financial interest” means (i) ownership of greater than 1% of the equity of a material tenant, contractor, real estate broker/agent, partner, lender, supplier or competitor or (ii) an investment in a material tenant, contractor, real estate broker/agent, partner, lender, supplier or competitor that represents more than 5% of the total assets of the employee.
- Loans or Other Financial Transactions. No employee should obtain loans or guarantees of personal obligations from, or enter into any other personal financial transaction with, any company that is a material tenant, contractor, real estate broker/agent, partner, lender, supplier or competitor of the Company. This guideline does not prohibit arms-length transactions with recognized banks, brokerage firms or other financial institutions or any company that is a material tenant, contractor, real estate broker/agent, partner, lender, supplier or competitor, except that loans or guarantees of personal obligations are prohibited from any material contractors or broker/agents under any circumstances.
- Service on Boards and Committees. No employee should serve on a board of directors or trustees or on a committee of any entity (whether for-profit or not-for-profit) whose interests reasonably would be expected to conflict with those of the Company. Employees must obtain prior approval from the General Counsel before accepting any such board or committee position. The Company may revisit its approval of any such position at any time to determine whether service in such position is still appropriate.
- Actions of Family Members. The actions of family members outside the workplace may also give rise to the conflicts of interest described above because they may influence an employee’s objectivity in making decisions on behalf of the Company. The following situations are examples of such conflicts of interest:
 - It is a conflict of interest if a family member is employed by, or has a significant financial interest in, a company that is a material tenant, contractor,

real estate broker/agent, partner, lender, supplier or competitor of the Company.

- It is a conflict of interest if a family member obtains loans or guarantees of personal obligations from, or enters into any other personal financial transaction with, any company that is a material tenant, contractor, real estate broker/agent, partner, lender, supplier or competitor of the Company to the extent such transaction is not at arms-length.
- It is a conflict of interest if a family member receives improper personal benefits or favors as a result of an employee's position with the Company.

You should not discuss the Company's confidential information with members of your family who have such conflicting interests. For purposes of this Code, "family members" or "members of your family" include your spouse or life-partner, brothers, sisters and parents, in-laws and children whether such relationships are by blood or adoption.

For purposes of this Code, a company is a "material" tenant of the company if it is one of the Company's ten largest tenants in the Company's property portfolio based on annualized rent as of the most recent fiscal year. A company is a "material" contractor or a "material" supplier if the company has active engagements with the Company and/or its affiliates with financial commitments of an aggregate total of over \$1 million. A person or company is a "material" real estate broker/agent if the person or company has earned in excess of an aggregate total of \$500,000 from transactions with the Company and/or its affiliates in any prior calendar year. A company is a "material" partner if either such company or the Company holds an investment in the other or the other's wholly owned or partially owned subsidiaries in excess of \$5 million in the aggregate. A company is a "material" lender if the Company has loans outstanding at any given time in excess of \$10 million from the lender. A company is a "material" competitor if the company competes in the Company's line of business and has annual gross revenues from such line of business in excess of \$20 million. If you are uncertain whether a particular company is a material tenant, contractor, real estate broker/agent, partner, lender, supplier or competitor, please contact the General Counsel for assistance.

Disclosure of Conflicts of Interest

The Company requires that employees disclose any situations that reasonably would be expected to give rise to a conflict of interest. If you suspect that you have a conflict of interest, or something that others could reasonably perceive as a conflict of interest, you must report it to your supervisor or the General Counsel. Your supervisor and the General Counsel will work with you to determine whether you have a conflict of interest and, if so, how best to address it. Although conflicts of interest are not automatically prohibited, they are not desirable and may only be waived as described in "Waivers of the Code" above. Conflicts of interest of our directors, executive officers or other principal financial officers may only be waived by our Board of Directors or the appropriate committee of our Board of Directors and will be promptly disclosed to the public to the extent required by law or the rules of the New York Stock Exchange.

CORPORATE OPPORTUNITIES

As an employee of the Company, you have an obligation to put the interests of the Company ahead of your personal interests and to advance the Company's interests when the opportunity to do so arises. If you discover or are presented with a business opportunity through the use of corporate property, information or because of your position with the Company that is in the Company's line of business, you should first present the business opportunity to the Company before pursuing the opportunity in your individual capacity. No employee may use corporate property, information or his or her position with the Company for personal gain.

You should fully disclose to your supervisor the terms and conditions of each business opportunity covered by this Code that you wish to pursue. Your supervisor will contact the General Counsel and the appropriate management personnel to determine whether the Company wishes to pursue the business opportunity. If the Company waives its right to pursue the business opportunity, you may pursue the business opportunity on the same terms and conditions as originally proposed and consistent with the other ethical guidelines set forth in this Code. Business opportunities available to directors, executive officers and other principal financial officers may only be waived by our Board of Directors or the appropriate committee of our Board of Directors and will be promptly disclosed to the public to the extent required by law or the rules of the New York Stock Exchange.

CONFIDENTIAL INFORMATION

Employees have access to a variety of confidential information while employed at the Company. Confidential information includes all non-public information that might be of use to competitors, or, if disclosed, harmful to the Company or its business partners. Employees have a duty to safeguard all confidential information of the Company or third parties with which the Company conducts business, except when disclosure is authorized or legally mandated. An employee's obligation to protect confidential information continues after he or she leaves the Company. Unauthorized disclosure of confidential information could cause competitive harm to the Company or its business partners and could result in legal liability to you and the Company.

Any questions or concerns regarding whether disclosure of Company information is legally mandated should be promptly referred to the General Counsel. You may request a copy of the *Employee NDA Form* from the General Counsel for more information.

COMPETITION AND FAIR DEALING

All employees should endeavor to deal fairly with fellow employees and with the Company's tenants, contractors, real estate brokers/agents, partners, lenders, suppliers, competitors and other third parties. Employees should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

Relationships with Tenants, Contractors, Real Estate Brokers/Agents, Partners, Lenders and Suppliers.

Our business success depends upon our ability to foster lasting business relationships. The Company is committed to dealing with tenants, contractors, real estate brokers/agents, partners, lenders and suppliers fairly, honestly and with integrity. Specifically, you should keep the following guidelines in mind when dealing with such companies or persons:

- Information we supply to tenants, contractors, real estate brokers/agents, partners, lenders and suppliers should be accurate and complete to the best of our knowledge. Employees should not deliberately misrepresent information to tenants, contractors, real estate brokers/agents, partners, lenders and suppliers.
- Tenant, contractor, real estate broker/agent, partner, lender and supplier entertainment should not exceed reasonable and customary business practice. Employees should not provide entertainment or other benefits that could be viewed as an inducement to or a reward for tenant, contractor, real estate broker/agent, partner, lender or supplier decisions unless expressly approved by the Company. Please see “Gifts and Entertainment” below for additional guidelines in this area.

Relationships with Competitors

The Company is committed to free and open competition in the marketplace and throughout all business dealings. Employees should avoid all actions that reasonably could be construed as being anti-competitive, monopolistic or otherwise contrary to laws governing competitive practices in the marketplace, including federal and state antitrust laws. Such actions include misappropriation and/or misuse of a competitor’s confidential information or making false statements about the competitor’s business and business practices.

GIFTS AND ENTERTAINMENT

The giving and receiving of gifts is a common business practice. Appropriate business gifts and entertainment are welcome courtesies designed to build relationships and understanding among business partners. However, gifts and entertainment should not compromise, or appear to compromise, your ability to make objective and fair business decisions.

It is your responsibility to use good judgment in this area. As a general rule, you may give or receive gifts or entertainment to or from tenants, contractors, real estate brokers/agents, partners, lenders or suppliers only if the gift or entertainment would not be viewed as an inducement to or reward for any particular business decision. All gifts and entertainment expenses should be properly accounted for on expense reports. The following specific examples may be helpful:

- Meals and Entertainment. You may occasionally accept or give meals, refreshments or other entertainment if:
 - The items are of reasonable value;

- The purpose of the meeting or attendance at the event is business related; and
- The expenses would be paid by the Company as a reasonable business expense if not paid for by another party.

Entertainment of reasonable value may include food and tickets for sporting and cultural events if they are generally offered to other customers, suppliers or vendors.

- Advertising and Promotional Materials. You may occasionally accept or give advertising or promotional materials of nominal value.
- Personal Gifts. You may accept or give personal gifts of reasonable value that are related to recognized special occasions such as a graduation, promotion, new job, wedding, retirement or a holiday. A gift is also acceptable if it is based on a family or personal relationship and unrelated to the business involved between the individuals.
- Gifts Rewarding Service or Accomplishment. You may accept a gift from a civic, charitable or religious organization specifically related to your service or accomplishment.

You should make every effort to refuse or return a gift that is beyond these permissible guidelines. If it would be inappropriate to refuse a gift or you are unable to return a gift, you should promptly report the gift to your supervisor. Your supervisor will bring the gift to the attention of the General Counsel, who may require you to donate the gift to an appropriate community organization. If you have any questions about whether it is permissible to accept a gift or something else of value, contact your supervisor or the General Counsel for additional guidance.

Note: Gifts and entertainment may not be offered or exchanged under any circumstances to or with any employees of federal, state, local or foreign governments or departments. If you have any questions about this policy, contact your supervisor or the General Counsel for additional guidance.

PROTECTION AND USE OF COMPANY ASSETS

Employees should protect the Company's assets and ensure their efficient use for legitimate business purposes only. Theft, carelessness and waste have a direct impact on the Company's profitability. The use of Company funds or assets, whether or not for personal gain, for any unlawful or improper purpose is prohibited.

To ensure the protection and proper use of the Company's assets, each employee should:

- Exercise reasonable care to prevent theft, damage or misuse of Company property.
- Report the actual or suspected theft, damage or misuse of Company property to a supervisor.

- Use the Company's telephone system, other electronic communication services, written materials and other property primarily for business-related purposes.
- Safeguard all electronic programs, data, communications and written materials from inadvertent access by others.
- Use Company property only for legitimate business purposes, as authorized in connection with your job responsibilities.

Employees should be aware that Company property includes all data and communications transmitted or received to or by, or contained in, the Company's electronic or telephonic systems. Company property also includes all written communications. Employees and other users of this property should have no expectation of privacy with respect to these communications and data. To the extent permitted by law, the Company has the ability, and reserves the right, to monitor all electronic and telephonic communication. These communications may also be subject to disclosure to law enforcement or government officials.

COMPANY RECORDS

Accurate and reliable records are crucial to our business. Our records are the basis of our earnings statements, financial reports and other disclosures to the public and guide our business decision-making and strategic planning. Company records include booking information, payroll, timecards, travel and expense reports, e-mails, accounting and financial data, measurement and performance records, electronic data files and all other records maintained in the ordinary course of our business.

All Company records must be complete, accurate and reliable in all material respects. Undisclosed or unrecorded funds, payments or receipts are inconsistent with our business practices and are prohibited. You are responsible for understanding and complying with our record keeping policy. Ask your supervisor if you have any questions.

ACCURACY OF FINANCIAL REPORTS AND OTHER PUBLIC COMMUNICATIONS

As a public company, we are subject to various securities laws, regulations and reporting obligations. Both federal law and our policies require the disclosure of accurate and complete information regarding the Company's business, financial condition and results of operations. Inaccurate, incomplete or untimely reporting will not be tolerated and can severely damage the Company and result in legal liability.

The Company's principal financial officers and other employees working in the Accounting Department have a special responsibility to ensure that all of our financial disclosures are full, fair, accurate, timely and understandable. These employees must understand and strictly comply with generally accepted accounting principles and all standards, laws and regulations for accounting and financial reporting of transactions, estimates and forecasts.

POLITICAL CONTRIBUTIONS AND ACTIVITIES

The Company encourages its employees to participate in the political process as individuals and on their own time. However, contribution and lobbying laws limit the contributions the Company can make to political parties or candidates. It is Company policy that Company funds and assets shall not be used to make a political contribution to any political party or candidate, unless prior approval has been given by the Chief Executive Officer.

The following guidelines are intended to ensure that any political activity you pursue complies with this policy:

- Contribution of Funds. You may contribute your personal funds to political parties or candidates. The Company will not reimburse you for your personal political contributions.
- Volunteer Activities. You may participate in volunteer political activities during non-work time. You may not participate in political activities during work hours or otherwise use Company resources in such activities.
- Use of Company Facilities. Generally, the Company's facilities may not be used for political activities (including fundraisers or other activities related to running for office). However, the Company may make its facilities available for limited political functions, including speeches by government officials and political candidates, with the approval of the General Counsel.
- Use of Company Name. When you participate in political affairs, you should be careful to make clear that your views and actions are your own, and not made on behalf of the Company. For instance, Company letterhead should not be used to send out personal letters in connection with political activities.
- Political Office. If you wish to hold a political office, whether elected or appointed, you must obtain prior approval from the General Counsel.

These guidelines are intended to ensure that any political activity you pursue is undertaken voluntarily and on your own resources and time. Please contact the General Counsel if you have questions about this policy.

COMPLIANCE WITH LAWS AND REGULATIONS

Each employee has an obligation to comply with all laws, rules and regulations applicable to the Company, including, without limitation:

- Antitrust. Conduct business in full compliance with antitrust and fair competition laws that govern the jurisdictions in which the Company conducts business.

- Anti-Corruption. Avoid bribes or kickbacks of any kind, whether in dealings with public officials or individuals in the private sector, including the Company’s vendors. Employees must comply with all applicable anti-corruption and anti-money laundering laws of any country in which they operate, including the U.S. Foreign Corrupt Practices Act. Employees must not, directly or indirectly, offer or pay anything of value (including travel, gifts, hospitality expenses and charitable donations) to any official or employee of any government, government agency, political party, public international organization or any candidate for political office for the purpose of improperly inducing such individual to misuse his or her position to promote the business interests of the Company in any respect. Employees should be honest, direct and truthful in all discussions with regulatory agency representatives and government officials.
- Licensing/Permits. Obtain all required licenses or permits to conduct business activities.
- Privacy. Comply with all laws and regulations regarding the privacy of information, data protection and cross-border data flows.
- Trade. Comply with all applicable trade controls, as well as all applicable export, re-export and import laws and regulations.

You are expected to understand and comply with all laws, rules and regulations that apply to your job position. If any doubt exists about whether a course of action is lawful, you should seek advice from your supervisor or the General Counsel.

COMPLIANCE WITH INSIDER TRADING LAWS

Company employees are prohibited from trading in the stock or other securities of the Company or any other company while in possession of material, nonpublic information about the Company or the other company. In addition, Company employees are prohibited from recommending, “tipping” or suggesting that anyone else buy or sell stock or other securities of the Company or any other company on the basis of material, nonpublic information. Company employees who obtain material nonpublic information about another company in the course of their employment are prohibited from trading in the stock or securities of the other company while in possession of such information or “tipping” others to trade based on such information. Violation of insider trading laws can result in severe fines and criminal penalties, as well as disciplinary action by the Company, up to and including termination of employment.

Information is “non-public” if it has not been made generally available to the public by means of a press release or other means of widespread distribution. Information is “material” if a reasonable investor would consider it important in a decision to buy, hold or sell stock or other securities. As a rule of thumb, any information that would affect the value of stock or other securities should be considered material. Examples of information that is generally considered “material” include:

- Earnings, revenues, expenses, dividends, funds from operations, liquidity and other non-public financial information;
- Financial projections, or any information that indicates the Company's financial results may exceed or fall short of forecasts or expectations;
- Unexpected financial results and unexpected events affecting such results;
- Important new products or services;
- Pending or contemplated acquisitions or dispositions, including mergers, tender offers or joint venture proposals;
- Bank borrowings or other financing transactions, including proposed new financing, refinancing or capital market transactions;
- Events regarding the Company's securities (including redemptions, repurchase plans, changes in dividends or dividend policy, stock splits, changes in rights of security holders and public or private sales of additional securities);
- Developments regarding the Company's joint venture partners, borrowers, significant tenants, operators, lenders, contractors, suppliers or investment targets (including the entry into, amendment or termination of an important contract or other arrangement with any of the foregoing);
- Significant write-offs;
- Major environmental incidents;
- Information concerning changes in senior management, key personnel or the composition of the Board of Directors, or other changes of control;
- Changes in compensation policy;
- Initiation, developments in or settlement of significant litigation, including threatened or pending significant litigation;
- Changes in the Company's auditors or a notification from its auditors that the Company may no longer rely on the auditor's report;
- Regulatory proceedings and governmental investigations; and
- Bankruptcy, corporate restructuring or receivership.

The laws against insider trading are specific and complex. Any questions about information you may possess or about any dealings you have had in the Company's securities should be promptly brought to the attention of the General Counsel. You may request a copy of the Company's *Insider Trading Policy* from the General Counsel for more information.

PUBLIC COMMUNICATIONS AND REGULATION FD

Public Communications Generally

The Company places a high value on its credibility and reputation in the community. What is written or said about the Company in the news media and investment community directly affects our reputation, positively or negatively. Our policy is to provide timely, accurate and complete information in response to public requests (media, analysts, etc.), consistent with our obligations to maintain the confidentiality of competitive and proprietary information and to prevent selective disclosure of market-sensitive financial data. To ensure compliance with this policy, all news media or other public requests for information regarding the Company should be directed to the Chief Financial Officer. The Chief Financial Officer will work with you and the appropriate personnel to evaluate and coordinate a response to the request.

Compliance with Regulation FD

In connection with its public communications, the Company is required to comply with a rule under the federal securities laws referred to as Regulation FD (which stands for "fair disclosure"). Regulation FD provides that, when we disclose material, non-public information about the Company to securities market professionals or stockholders (where it is reasonably foreseeable that the stockholders will trade on the information), we must also disclose the information to the public. "Securities market professionals" generally include analysts, institutional investors and other investment advisors.

To ensure compliance with Regulation FD, we have designated the following officials as "Company Spokespersons:"

- Alan Gold, Executive Chairman
- Paul Smithers, President and Chief Executive Officer
- David Smith, Chief Financial Officer and Treasurer
- Catherine Hastings, Chief Operating Officer
- Ben Regin, Chief Investment Officer

Only Company Spokespersons are authorized to disclose information about the Company in response to requests from securities market professionals or stockholders. If you receive a request for information from any securities market professionals or stockholders, promptly contact the Chief Financial Officer to coordinate a response to such request.

Company employees who regularly interact with securities market professionals are specifically covered by Regulation FD and have a special responsibility to understand and comply with

Regulation FD. Contact the General Counsel if you have any questions about the scope or application of Regulation FD.

You may request a copy of the Company's *Disclosure Policy* from the General Counsel for more information.

ENVIRONMENT, HEALTH AND SAFETY

The Company is committed to providing a safe and healthy working environment for its employees and to avoiding adverse impact and injury to the environment and the communities in which we do business. Company employees must comply with all applicable environmental, health and safety laws, regulations and Company standards. It is your responsibility to understand and comply with the laws, regulations and policies that are relevant to your job. Failure to comply with environmental, health and safety laws and regulations can result in civil and criminal liability against you and the Company, as well as disciplinary action by the Company, up to and including termination of employment. You should contact the General Counsel if you have any questions about the laws, regulations and policies that apply to you.

Environment

All Company employees should strive to conserve resources and reduce waste and emissions through recycling and other energy conservation measures. You have a responsibility to promptly report any known or suspected violations of environmental laws or any events that may result in a discharge or emission of hazardous materials.

Health and Safety

The Company is committed not only to comply with all relevant health and safety laws, but also to conduct business in a manner that protects the safety of its employees. All employees are required to comply with all applicable health and safety laws, regulations and policies relevant to their jobs. If you have a concern about unsafe conditions or tasks that present a risk of injury to you, please report these concerns immediately to your supervisor or the General Counsel.

EMPLOYMENT PRACTICES

The Company pursues fair employment practices in every aspect of its business. The following is intended to be a summary of our employment policies and procedures. Copies of our detailed policies are available from the General Counsel. Company employees must comply with all applicable labor and employment laws, including anti-discrimination laws and laws related to freedom of association, privacy and collective bargaining. It is your responsibility to understand and comply with the laws, regulations and policies that are relevant to your job. Failure to comply with labor and employment laws can result in civil and criminal liability against you and the Company, as well as disciplinary action by the Company, up to and including termination of employment. You should contact the General Counsel if you have any questions about the laws, regulations and policies that apply to you.

Harassment and Discrimination

The Company is committed to providing equal opportunity and fair treatment to all individuals on the basis of merit, without discrimination because of race, color, creed, gender, religion, national origin, ancestry, pregnancy, age, marital status, registered domestic partner status, sexual orientation, medical condition including genetic characteristics, physical or mental disability, veteran status, or any other consideration made unlawful by foreign, federal, state or local laws. The Company prohibits harassment in any form, whether physical or verbal and whether committed by supervisors, non-supervisory personnel or non-employees. Harassment may include, but is not limited to, offensive sexual flirtations, unwanted sexual advances or propositions, verbal abuse, sexually or racially degrading words, or the display in the workplace of sexually suggestive objects or pictures.

If you have any complaints about discrimination or harassment, report such conduct to your supervisor or the General Counsel. All complaints will be treated with sensitivity and discretion. Your supervisor and the General Counsel will protect your confidentiality to the extent possible, consistent with law and the Company's need to investigate your concern. Where our investigation uncovers harassment or discrimination, we will take prompt corrective action, which may include disciplinary action by the Company, up to and including, termination of employment. The Company strictly prohibits retaliation against an employee who, in good faith, files a complaint.

Any member of management who has reason to believe that an employee has been the victim of harassment or discrimination or who receives a report of alleged harassment or discrimination is required to report it to the General Counsel immediately.

Alcohol and Drugs

The Company is committed to maintaining a drug-free work place. All Company employees must comply strictly with Company policies regarding the abuse of alcohol and the possession, sale and use of illegal substances. Drinking alcoholic beverages is prohibited while on duty or on the premises of the Company, except at specified Company-sanctioned events. Possessing, using, selling or offering illegal drugs and other controlled substances is prohibited under all circumstances while on duty or on the premises of the Company. Likewise, you are prohibited from reporting for work, or driving a Company vehicle or any vehicle on Company business, while under the influence of alcohol or any illegal drug or controlled substance.

Violence Prevention and Weapons

The safety and security of Company employees is vitally important. The Company will not tolerate violence or threats of violence in, or related to, the workplace. Employees who experience, witness or otherwise become aware of a violent or potentially violent situation that occurs on the Company's property or affects the Company's business must immediately report the situation to their supervisor or the General Counsel.

The Company does not permit any individual to have weapons of any kind in Company property or vehicles, while on the job or off-site while on Company business. This is true even if you have obtained legal permits to carry weapons. The only exception to this policy applies to security personnel who are specifically authorized by Company management to carry weapons.

You may request a copy of the Company's *Employee Handbook* from the General Counsel for more information.

CONCLUSION

This Code of Business Conduct and Ethics contains general guidelines for conducting the business of the Company consistent with the highest standards of business ethics. If you have any questions about these guidelines, please contact your supervisor or the General Counsel. We expect all Company employees to adhere to these standards.

This Code is intended to qualify as a "code of ethics" within the meaning of Item 406 of Regulation S-K promulgated under the Securities Act of 1933, as amended.

This Code and the matters contained herein are neither a contract of employment nor a guarantee of continuing Company policy. We reserve the right to amend, supplement or discontinue this Code and the matters addressed herein, without prior notice, at any time.

Innovative Industrial Properties, Inc.

Exhibit 1 to Code of Business Conduct and Ethics:

Audit Committee Complaint Procedures

The following procedures have been adopted by the Audit Committee of the Company to govern the submission of complaints regarding accounting, internal accounting controls or auditing matters relating to the Company, including any concerns regarding questionable accounting or auditing matters (collectively, the “Complaints”).

Employees will be given the opportunity to submit Complaints for review by the Company, including without limitation, the following:

- Fraud against investors, securities fraud, mail or wire fraud, bank fraud, or fraudulent statements to the Securities and Exchange Commission (“SEC”) or members of the investing public;
- Violations of SEC rules and regulations applicable to the Company and related to accounting, internal accounting controls and auditing matters;
- Intentional error or fraud in the preparation, review or audit of any financial statement of the Company; and
- Significant deficiencies in or intentional noncompliance with the Company’s internal accounting policies and controls.

If requested by the employee, the Company will protect the confidentiality and anonymity of the employee to the fullest extent possible, consistent with the need to conduct an adequate review. Vendors, tenants, business partners and other parties external to the Company will also be given the opportunity to submit Complaints; however, the Company is not obligated to keep Complaints from non-employees confidential or to maintain the anonymity of non-employees.

I. Procedures for Submitting Complaints

You may send a confidential memorandum or letter in a sealed envelope to the Audit Committee Chair or the General Counsel at the address listed below. The envelope should be labeled with the following: “Submitted pursuant to Innovative Industrial Properties, Inc.’s Audit Committee Complaint Procedures.” The memorandum or letter should detail your Complaint and the acts that are alleged to constitute an improper accounting practice, internal accounting control, auditing practice, or violation of the Code, providing as much detail as possible.

The address is:

Audit Committee Chair
David Stecher

General Counsel
Brian Wolfe

Director
Innovative Industrial Properties, Inc.
11440 West Bernardo Court, Suite 100
San Diego, CA 92127

VP, General Counsel and Secretary
Innovative Industrial Properties, Inc.
11440 West Bernardo Court, Suite 100
San Diego, CA 92127

II. Protection for Employees

The Company will abide by all laws that prohibit retaliation against employees who lawfully submit Complaints under these procedures.