

Government Properties Income Trust

Exhibit 99.2

181 Spring Street, Atlanta, GA

Square Feet: 90,688

Agency Occupant: Department of Homeland Security



Second Quarter 2016

Supplemental Operating and Financial Data

All amounts in this report are unaudited.



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WARNING CONCERNING FORWARD LOOKING STATEMENTS

THIS PRESENTATION OF SUPPLEMENTAL OPERATING AND FINANCIAL DATA CONTAINS STATEMENTS THAT CONSTITUTE FORWARD LOOKING STATEMENTS WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 AND OTHER SECURITIES LAWS. ALSO, WHENEVER WE USE WORDS SUCH AS "BELIEVE", "EXPECT", "ANTICIPATE", "INTEND", "PLAN", "ESTIMATE", "MAY" OR SIMILAR EXPRESSIONS, WE ARE MAKING FORWARD LOOKING STATEMENTS. THESE FORWARD LOOKING STATEMENTS ARE BASED UPON OUR PRESENT INTENT, BELIEFS OR EXPECTATIONS, BUT FORWARD LOOKING STATEMENTS ARE NOT GUARANTEED TO OCCUR AND MAY NOT OCCUR. FORWARD LOOKING STATEMENTS IN THIS REPORT RELATE TO VARIOUS ASPECTS OF OUR BUSINESS, INCLUDING:

- OUR ACQUISITIONS AND SALES OF PROPERTIES,
- OUR ABILITY TO COMPETE FOR ACQUISITIONS AND TENANCIES EFFECTIVELY,
- THE LIKELIHOOD THAT OUR TENANTS WILL PAY RENT, RENEW LEASES, ENTER INTO NEW LEASES, NOT EXERCISE EARLY TERMINATION OPTIONS PURSUANT TO THEIR LEASES OR BE AFFECTED BY CYCLICAL ECONOMIC CONDITIONS OR GOVERNMENT BUDGET CONSTRAINTS,
- OUR ABILITY TO PAY DISTRIBUTIONS TO OUR SHAREHOLDERS AND THE AMOUNT OF SUCH DISTRIBUTIONS,
- OUR EXPECTATION THAT WE BENEFIT FINANCIALLY FROM OUR OWNERSHIP INTEREST IN SELECT INCOME REIT, OR SIR,
- OUR POLICIES AND PLANS REGARDING INVESTMENTS, FINANCINGS AND DISPOSITIONS,
- THE FUTURE AVAILABILITY OF BORROWINGS UNDER OUR REVOLVING CREDIT FACILITY,
- OUR EXPECTATION THAT THERE WILL BE OPPORTUNITIES FOR US TO ACQUIRE, AND THAT WE WILL ACQUIRE, ADDITIONAL PROPERTIES THAT ARE MAJORITY LEASED TO GOVERNMENT TENANTS,
- OUR EXPECTATIONS REGARDING DEMAND FOR LEASED SPACE BY THE U.S. GOVERNMENT AND STATE AND LOCAL GOVERNMENTS,
- OUR ABILITY TO RAISE EQUITY OR DEBT CAPITAL,
- OUR ABILITY TO PAY INTEREST ON AND PRINCIPAL OF OUR DEBT,
- OUR ABILITY TO APPROPRIATELY BALANCE OUR DEBT AND EQUITY CAPITAL,
- OUR CREDIT RATINGS,
- OUR EXPECTATION THAT WE BENEFIT FROM OUR OWNERSHIP OF THE RMR GROUP INC., OR RMR INC.,
- OUR EXPECTATION THAT WE BENEFIT FROM OUR OWNERSHIP OF AFFILIATES INSURANCE COMPANY, OR AIC, AND FROM OUR PARTICIPATION IN INSURANCE PROGRAMS ARRANGED BY AIC,
- THE CREDIT QUALITIES OF OUR TENANTS,
- OUR QUALIFICATION FOR TAXATION AS A REAL ESTATE INVESTMENT TRUST, OR REIT, AND
- OTHER MATTERS.

OUR ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE CONTAINED IN OR IMPLIED BY OUR FORWARD LOOKING STATEMENTS AS A RESULT OF VARIOUS FACTORS. FACTORS THAT COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR FORWARD LOOKING STATEMENTS AND UPON OUR BUSINESS, RESULTS OF OPERATIONS, FINANCIAL CONDITION, FUNDS FROM OPERATIONS, OR FFO, NORMALIZED FUNDS FROM OPERATIONS, OR NORMALIZED FFO, NET OPERATING INCOME, OR NOI, CASH BASIS NOI, EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION, OR EBITDA, EBITDA AS ADJUSTED, OR ADJUSTED EBITDA, CASH FLOWS, LIQUIDITY AND PROSPECTS INCLUDE, BUT ARE NOT LIMITED TO:

- THE IMPACT OF CHANGES IN THE ECONOMY AND THE CAPITAL MARKETS ON US AND OUR TENANTS,
- COMPETITION WITHIN THE REAL ESTATE INDUSTRY, PARTICULARLY WITH RESPECT TO THOSE MARKETS IN WHICH OUR PROPERTIES ARE LOCATED AND WITH RESPECT TO GOVERNMENT TENANCIES,
- THE IMPACT OF CHANGES IN THE REAL ESTATE NEEDS AND FINANCIAL CONDITIONS OF THE U.S. GOVERNMENT AND STATE AND LOCAL GOVERNMENTS,
- COMPLIANCE WITH, AND CHANGES TO, FEDERAL, STATE AND LOCAL LAWS AND REGULATIONS, ACCOUNTING RULES, TAX LAWS AND SIMILAR MATTERS,
- ACTUAL AND POTENTIAL CONFLICTS OF INTEREST WITH OUR RELATED PARTIES, INCLUDING OUR MANAGING TRUSTEES, THE RMR GROUP LLC, OR RMR LLC, RMR INC., SIR, AIC AND OTHERS AFFILIATED WITH THEM,
- LIMITATIONS IMPOSED ON OUR BUSINESS AND OUR ABILITY TO SATISFY COMPLEX RULES IN ORDER FOR US TO QUALIFY FOR TAXATION AS A REIT FOR U.S. FEDERAL INCOME TAX PURPOSES, AND
- ACTS OF TERRORISM, OUTBREAKS OF SO CALLED PANDEMICS OR OTHER MANMADE OR NATURAL DISASTERS BEYOND OUR CONTROL.

FOR EXAMPLE:

- OUR ABILITY TO MAKE PAYMENTS OF PRINCIPAL AND INTEREST ON OUR INDEBTEDNESS AND TO MAKE FUTURE DISTRIBUTIONS TO OUR SHAREHOLDERS DEPENDS UPON A NUMBER OF FACTORS, INCLUDING OUR FUTURE EARNINGS, THE CAPITAL COSTS WE INCUR TO LEASE OUR PROPERTIES AND OUR RECEIPT OF DISTRIBUTIONS FROM SIR,
- WE MAY BE UNABLE TO PAY OUR DEBT OBLIGATIONS OR TO MAINTAIN OUR CURRENT RATE OF DISTRIBUTIONS ON OUR COMMON SHARES AND FUTURE DISTRIBUTIONS MAY BE REDUCED OR ELIMINATED,



- OUR ABILITY TO GROW OUR BUSINESS AND INCREASE DISTRIBUTIONS TO OUR SHAREHOLDERS DEPENDS IN LARGE PART UPON OUR ABILITY TO BUY PROPERTIES AND LEASE THEM FOR RENTS, LESS PROPERTY OPERATING EXPENSES, THAT EXCEED OUR CAPITAL COSTS. WE MAY BE UNABLE TO IDENTIFY PROPERTIES THAT WE WANT TO ACQUIRE OR TO NEGOTIATE ACCEPTABLE PURCHASE PRICES, ACQUISITION FINANCING OR LEASE TERMS FOR NEW PROPERTIES,
- SOME OF OUR TENANTS MAY NOT RENEW EXPIRING LEASES, AND WE MAY BE UNABLE TO OBTAIN NEW TENANTS TO MAINTAIN OR INCREASE THE HISTORICAL OCCUPANCY RATES OF, OR RENTS FROM, OUR PROPERTIES,
- SOME GOVERNMENT TENANTS MAY EXERCISE THEIR RIGHTS TO VACATE THEIR SPACE BEFORE THE STATED EXPIRATION OF THEIR LEASES, AND WE MAY BE UNABLE TO OBTAIN NEW TENANTS TO MAINTAIN THE HISTORICAL OCCUPANCY RATES OF, OR RENTS FROM, OUR PROPERTIES,
- RENTS THAT WE CAN CHARGE AT OUR PROPERTIES MAY DECLINE BECAUSE OF CHANGING MARKET CONDITIONS OR OTHERWISE,
- CONTINGENCIES IN OUR ACQUISITION AND SALE AGREEMENTS MAY NOT BE SATISFIED AND OUR PENDING ACQUISITIONS AND SALES MAY NOT OCCUR, MAY BE DELAYED OR THE TERMS OF SUCH TRANSACTIONS MAY CHANGE,
- CONTINUED AVAILABILITY OF BORROWINGS UNDER OUR REVOLVING CREDIT FACILITY IS SUBJECT TO OUR SATISFYING CERTAIN FINANCIAL COVENANTS AND OTHER CONDITIONS THAT WE MAY BE UNABLE TO SATISFY,
- ACTUAL COSTS UNDER OUR REVOLVING CREDIT FACILITY AND OTHER FLOATING RATE CREDIT FACILITIES WILL BE HIGHER THAN LIBOR PLUS A PREMIUM BECAUSE OF OTHER FEES AND EXPENSES ASSOCIATED WITH SUCH FACILITIES,
- WE MAY BE UNABLE TO REPAY OUR DEBT OBLIGATIONS WHEN THEY BECOME DUE,
- THE MAXIMUM BORROWING AVAILABILITY UNDER OUR REVOLVING CREDIT FACILITY AND TERM LOANS MAY BE INCREASED TO UP TO \$2.5 BILLION ON A COMBINED BASIS IN CERTAIN CIRCUMSTANCES; HOWEVER, INCREASING THE MAXIMUM BORROWING AVAILABILITY UNDER OUR REVOLVING CREDIT FACILITY AND TERM LOANS IS SUBJECT TO OUR OBTAINING ADDITIONAL COMMITMENTS FROM LENDERS, WHICH MAY NOT OCCUR,
- WE HAVE THE OPTION TO EXTEND THE MATURITY DATE OF OUR REVOLVING CREDIT FACILITY UPON PAYMENT OF A FEE AND MEETING OTHER CONDITIONS. HOWEVER, THE APPLICABLE CONDITIONS MAY NOT BE MET,
- THE BUSINESS MANAGEMENT AND PROPERTY MANAGEMENT AGREEMENTS BETWEEN US AND RMR LLC HAVE CONTINUING 20 YEAR TERMS. HOWEVER, THOSE AGREEMENTS INCLUDE TERMS WHICH PERMIT EARLY TERMINATION IN CERTAIN CIRCUMSTANCES. ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT THESE AGREEMENTS WILL REMAIN IN EFFECT FOR CONTINUING 20 YEAR TERMS OR FOR SHORTER TERMS,
- WE BELIEVE THAT OUR RELATIONSHIPS WITH OUR RELATED PARTIES, INCLUDING RMR LLC, RMR INC., SIR, AIC AND OTHERS AFFILIATED WITH THEM MAY BENEFIT US AND PROVIDE US WITH COMPETITIVE ADVANTAGES IN OPERATING AND GROWING OUR BUSINESS. IN FACT, THE ADVANTAGES WE BELIEVE WE MAY REALIZE FROM THESE RELATIONSHIPS MAY NOT MATERIALIZE,
- THE PREMIUMS USED TO DETERMINE THE INTEREST RATE PAYABLE ON OUR REVOLVING CREDIT FACILITY AND TERM LOANS AND THE FACILITY FEE PAYABLE ON OUR REVOLVING CREDIT FACILITY ARE BASED ON OUR CREDIT RATINGS. FUTURE CHANGES IN OUR CREDIT RATINGS MAY CAUSE THE INTEREST AND FEES WE PAY TO INCREASE,
- SIR MAY REDUCE THE AMOUNT OF ITS DISTRIBUTIONS TO ITS SHAREHOLDERS, INCLUDING US, AND
- WE MAY BE UNABLE TO SELL OUR SIR COMMON SHARES FOR AN AMOUNT EQUAL TO OUR CARRYING VALUE OF THOSE SHARES AND ANY SUCH SALE MAY BE AT A DISCOUNT TO MARKET PRICE BECAUSE OF THE LARGE SIZE OF OUR SIR HOLDINGS OR OTHERWISE; WE MAY REALIZE A LOSS ON OUR INVESTMENT IN OUR SIR SHARES.

THESE RESULTS COULD OCCUR DUE TO MANY DIFFERENT CIRCUMSTANCES, SOME OF WHICH ARE BEYOND OUR CONTROL, SUCH AS CHANGES IN GOVERNMENT TENANTS' NEEDS FOR LEASED SPACE, ACTS OF TERRORISM, NATURAL DISASTERS OR CHANGES IN CAPITAL MARKETS OR THE ECONOMY GENERALLY.

THE INFORMATION CONTAINED IN OUR FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION, OR SEC, INCLUDING UNDER THE CAPTION "RISK FACTORS" IN OUR PERIODIC REPORTS, OR INCORPORATED THEREIN, IDENTIFIES OTHER IMPORTANT FACTORS THAT COULD CAUSE DIFFERENCES FROM OUR FORWARD LOOKING STATEMENTS. OUR FILINGS WITH THE SEC ARE AVAILABLE ON THE SEC'S WEBSITE AT WWW.SEC.GOV.

YOU SHOULD NOT PLACE UNDUE RELIANCE UPON OUR FORWARD LOOKING STATEMENTS.

EXCEPT AS REQUIRED BY LAW, WE DO NOT INTEND TO UPDATE OR CHANGE ANY FORWARD LOOKING STATEMENTS AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.



1220 Echelon Parkway, Jackson, MS
Square Feet: 109,819
Agency Occupant: Federal Bureau of Investigation

CORPORATE INFORMATION



COMPANY PROFILE

**The Company:**

Government Properties Income Trust, or GOV, we or us, is a real estate investment trust, or REIT, which primarily owns properties located throughout the United States that are majority leased to government tenants. The majority of our properties are office buildings. As of June 30, 2016, we also own 24.9 million common shares, or approximately 27.9%, of the outstanding common shares of Select Income REIT (Nasdaq: SIR), or SIR, a publicly traded REIT that owns properties that are primarily net leased to single tenants. We have been investment grade rated since 2010, and we are included in the S&P Small Cap 600 Index, the Russell 2000® index and the MSCI US REIT index.

Management:

GOV is managed by the operating subsidiary of The RMR Group Inc. (Nasdaq: RMR). RMR is an alternative asset management company that was founded in 1986 to invest in real estate and manage real estate related businesses. RMR's business primarily consists of providing management services to four publicly traded real estate investment trusts, or REITs, and three real estate operating companies. As of June 30, 2016, RMR had \$22.6 billion of assets under management, including more than 1,300 properties. In addition to managing GOV, RMR also manages Hospitality Properties Trust, or HPT, a publicly traded REIT that owns hotels and travel centers, Senior Housing Properties Trust, or SNH, a publicly traded REIT that primarily owns healthcare, senior living and medical office buildings, and SIR. RMR provides management services to Five Star Quality Care, Inc., a publicly traded senior living and healthcare services company which is a tenant of SNH and manages certain of SNH's senior living communities, to TravelCenters of America LLC, a publicly traded operator of travel centers and convenience stores and which is a tenant of HPT, and to Sonesta International Hotels Corporation, which is one of HPT's hotel managers. Another subsidiary of RMR, RMR Advisors LLC, is a SEC registered investment advisor that is the investment manager of a publicly traded mutual fund which principally invests in securities of unaffiliated real estate companies. We believe that being managed by RMR is a competitive advantage for GOV because of RMR's depth of management and experience in the real estate industry. We also believe RMR provides management services to GOV at costs that are lower than we would have to pay for similar quality services.

Corporate Headquarters:

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Stock Exchange Listing:

Nasdaq

Trading Symbol:

Common Shares: GOV
Senior Unsecured Notes due 2046: GOVN

Issuer Ratings:

Moody's: Baa3
Standard & Poor's: BBB-

Portfolio Data (as of 6/30/2016) ⁽¹⁾:

(dollars and sq. ft. in 000s)

| | |
|---------------------------------------|-------------------|
| Total Properties | 72 (92 buildings) |
| Total sq. ft. | 10,985 |
| Percent Leased | 94.2% |
| Q2 2016 total rental income | \$ 64,061 |
| Q2 2016 net income | \$ 16,813 |
| Q2 2016 Cash Basis NOI ⁽²⁾ | \$ 39,425 |
| Q2 2016 Normalized FFO ⁽²⁾ | \$ 43,350 |

- (1) Excludes one property (one building) classified as discontinued operations as of June 30, 2016.
(2) See pages 19-23 for the calculations of NOI, Cash Basis NOI, FFO and Normalized FFO and a reconciliation of these amounts to or from net income, as applicable, determined in accordance with U.S. generally accepted accounting principles, or GAAP.



INVESTOR INFORMATION

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Independent Trustee

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Independent Trustee

Jeffrey P. Somers
Independent Trustee

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President and Chief Operating Officer

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GOV is followed by the analysts and its credit is rated by the rating agencies listed above. Please note that any opinions, estimates or forecasts regarding GOV's performance made by these analysts or agencies do not represent opinions, forecasts or predictions of GOV or its management. GOV does not by its reference above imply its endorsement of or concurrence with any information, conclusions or recommendations provided by any of these analysts or agencies.

FINANCIALS



9960 Maryland Drive, Richmond, VA
Square Feet: 173,932
Agency Occupant: The Commonwealth of Virginia



KEY FINANCIAL DATA

(dollar and share amounts in thousands, except per share data)

| | As of and for the Three Months Ended | | | | |
|----------------------------------------------------------------------|--------------------------------------|--------------|--------------|--------------|--------------|
| | 6/30/2016 | 3/31/2016 | 12/31/2015 | 9/30/2015 | 6/30/2015 |
| <u>Selected Balance Sheet Data:</u> | | | | | |
| Total gross assets ⁽¹⁾ | \$ 2,526,611 | \$ 2,525,238 | \$ 2,424,389 | \$ 2,466,799 | \$ 2,469,182 |
| Total assets | \$ 2,251,210 | \$ 2,259,395 | \$ 2,168,510 | \$ 2,220,608 | \$ 2,230,713 |
| Total liabilities | \$ 1,293,998 | \$ 1,298,498 | \$ 1,211,859 | \$ 1,207,164 | \$ 1,203,470 |
| Total shareholders' equity | \$ 957,212 | \$ 960,897 | \$ 956,651 | \$ 1,013,444 | \$ 1,027,243 |
| <u>Selected Income Statement Data:</u> | | | | | |
| Rental income | \$ 64,061 | \$ 63,611 | \$ 61,685 | \$ 62,092 | \$ 62,113 |
| Net income (loss) ⁽²⁾ | \$ 16,813 | \$ 17,387 | \$ (2,339) | \$ 16,911 | \$ (191,163) |
| NOI ⁽³⁾ | \$ 39,556 | \$ 38,873 | \$ 36,704 | \$ 36,882 | \$ 38,248 |
| Adjusted EBITDA ⁽⁴⁾ | \$ 48,949 | \$ 47,907 | \$ 46,539 | \$ 45,821 | \$ 43,432 |
| FFO ⁽⁵⁾ | \$ 43,302 | \$ 44,312 | \$ 24,208 | \$ 41,534 | \$ (162,649) |
| Normalized FFO ⁽⁵⁾ | \$ 43,350 | \$ 44,377 | \$ 43,619 | \$ 41,903 | \$ 42,403 |
| <u>Per Share Data:</u> | | | | | |
| Net income (loss) (basic and diluted) ⁽²⁾ | \$ 0.24 | \$ 0.24 | \$ (0.03) | \$ 0.24 | \$ (2.71) |
| FFO (basic and diluted) ⁽⁵⁾ | \$ 0.61 | \$ 0.62 | \$ 0.34 | \$ 0.58 | \$ (2.31) |
| Normalized FFO (basic and diluted) ⁽⁵⁾ | \$ 0.61 | \$ 0.62 | \$ 0.61 | \$ 0.59 | \$ 0.60 |
| <u>Dividends:</u> | | | | | |
| Annualized distributions paid per share during period ⁽⁶⁾ | \$ 1.72 | \$ 1.72 | \$ 1.72 | \$ 1.72 | \$ 1.72 |
| Annualized distributions yield (at end of period) ⁽⁶⁾ | 7.5% | 9.6% | 10.8% | 10.8% | 9.3% |
| Normalized FFO payout ratio ^{(5) (6)} | 70.5% | 69.4% | 70.5% | 72.9% | 71.7% |

(1) Total gross assets is total assets plus accumulated depreciation.

(2) Net loss for the three months ended December 31, 2015 includes a \$12,368, or \$0.17 per basic and diluted share, loss on the distribution of RMR common stock to our shareholders. Net loss for the three months ended June 30, 2015 includes a \$203,297, or \$2.88 per basic and diluted share, loss on impairment of our investment in SIR.

(3) See page 19 for the calculation of NOI and a reconciliation of that amount to net income (loss) determined in accordance with U.S. generally accepted accounting principles, or GAAP.

(4) See page 21 for the calculation of Adjusted EBITDA and a reconciliation of net income (loss) determined in accordance with GAAP to that amount.

(5) See page 22 for the calculation of FFO and Normalized FFO and a reconciliation of net income (loss) determined in accordance with GAAP to those amounts.

(6) Annualized distributions paid per share for the three months ended December 31, 2015 excludes a \$0.13 per common share non-cash distribution of RMR common stock to our shareholders on December 14, 2015. Common distributions paid per share for the three months ended December 31, 2015 excludes a \$0.13 per common share non-cash distribution of RMR common stock to our shareholders on December 14, 2015.



CONDENSED CONSOLIDATED BALANCE SHEETS

(dollar amounts in thousands, except share data)

| | June 30, 2016 | December 31, 2015 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------|
| ASSETS | | |
| Real estate properties: | | |
| Land | \$ 257,746 | \$ 253,058 |
| Buildings and improvements | 1,518,845 | 1,443,074 |
| Total real estate properties, gross | 1,776,591 | 1,696,132 |
| Accumulated depreciation | (275,401) | (255,879) |
| Total real estate properties, net | 1,501,190 | 1,440,253 |
| Equity investment in Select Income REIT | 492,762 | 491,369 |
| Assets of discontinued operations | 12,482 | 12,468 |
| Assets of property held for sale | 3,095 | 3,098 |
| Acquired real estate leases, net | 113,230 | 118,267 |
| Cash and cash equivalents | 9,021 | 8,785 |
| Restricted cash | 344 | 1,022 |
| Rents receivable, net | 46,592 | 45,269 |
| Deferred leasing costs, net | 20,214 | 14,299 |
| Other assets, net | 52,280 | 33,680 |
| Total assets | <u>\$ 2,251,210</u> | <u>\$ 2,168,510</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Unsecured revolving credit facility | \$ - | \$ 117,000 |
| Unsecured term loans, net | 546,830 | 546,490 |
| Senior unsecured notes, net | 646,272 | 345,809 |
| Mortgage notes payable, net | 28,655 | 136,299 |
| Liabilities of discontinued operations | 83 | 54 |
| Liabilities of property held for sale | 12 | 43 |
| Accounts payable and other liabilities | 56,687 | 50,543 |
| Due to related persons | 3,578 | 2,886 |
| Assumed real estate lease obligations, net | 11,881 | 12,735 |
| Total liabilities | <u>1,293,998</u> | <u>1,211,859</u> |
| Commitments and contingencies | | |
| Shareholders' equity: | | |
| Common shares of beneficial interest, \$.01 par value: 100,000,000 shares authorized, 71,138,808 and 71,126,308 issued and outstanding, respectively | 711 | 711 |
| Additional paid in capital | 1,472,754 | 1,472,482 |
| Cumulative net income | 72,686 | 38,486 |
| Cumulative other comprehensive income (loss) | 12,391 | (14,867) |
| Cumulative common distributions | (601,330) | (540,161) |
| Total shareholders' equity | <u>957,212</u> | <u>956,651</u> |
| Total liabilities and shareholders' equity | <u>\$ 2,251,210</u> | <u>\$ 2,168,510</u> |



CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)

(dollars and share amounts in thousands, except per share data)

| | For the Three Months Ended | | For the Six Months Ended | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|--------------|--------------------------|--------------|
| | 6/30/2016 | 6/30/2015 | 6/30/2016 | 6/30/2015 |
| Rental income ⁽¹⁾ | \$ 64,061 | \$ 62,113 | \$ 127,672 | \$ 124,772 |
| Expenses: | | | | |
| Real estate taxes | 7,566 | 7,674 | 15,219 | 15,084 |
| Utility expenses | 3,673 | 4,001 | 7,847 | 8,572 |
| Other operating expenses | 13,266 | 12,190 | 26,177 | 24,400 |
| Depreciation and amortization | 17,985 | 17,299 | 36,309 | 34,514 |
| Acquisition related costs | 64 | 183 | 216 | 189 |
| General and administrative | 4,008 | 3,713 | 7,534 | 7,717 |
| Total expenses | 46,562 | 45,060 | 93,302 | 90,476 |
| Operating income | 17,499 | 17,053 | 34,370 | 34,296 |
| Dividend income | 363 | - | 363 | - |
| Interest income | 10 | - | 16 | 12 |
| Interest expense (including net amortization of debt premiums and discounts and debt issuance costs of \$747, \$328, \$1,219 and \$660, respectively) | (10,314) | (9,455) | (19,678) | (18,757) |
| Gain on early extinguishment of debt | - | - | 104 | - |
| Gain (loss) on issuance of shares by Select Income REIT | 16 | (1,353) | 16 | (42,124) |
| Loss on impairment of Select Income REIT investment | - | (203,297) | - | (203,297) |
| Income (loss) from continuing operations before income taxes and equity in earnings of investees | 7,574 | (197,052) | 15,191 | (229,870) |
| Income tax expense | (35) | (32) | (50) | (62) |
| Equity in earnings of investees | 9,400 | 6,094 | 19,334 | 5,778 |
| Income (loss) from continuing operations | 16,939 | (190,990) | 34,475 | (224,154) |
| Loss from discontinued operations | (126) | (173) | (275) | (379) |
| Net income (loss) | \$ 16,813 | \$ (191,163) | \$ 34,200 | \$ (224,533) |
| Weighted average common shares outstanding (basic) | 71,038 | 70,485 | 71,034 | 70,377 |
| Weighted average common shares outstanding (diluted) | 71,061 | 70,485 | 71,046 | 70,377 |
| Per common share amounts (basic and diluted): | | | | |
| Income (loss) from continuing operations | \$ 0.24 | \$ (2.71) | \$ 0.49 | \$ (3.19) |
| Loss from discontinued operations | \$ - | \$ - | \$ - | \$ (0.01) |
| Net income (loss) | \$ 0.24 | \$ (2.71) | \$ 0.48 | \$ (3.19) |
| <u>Additional Data:</u> | | | | |
| General and administrative expenses / rental income | 6.26% | 5.98% | 5.90% | 6.18% |
| General and administrative expenses / total assets (at end of period) | 0.18% | 0.17% | 0.33% | 0.35% |
| Non-cash straight line rent adjustments ⁽¹⁾ | \$ 435 | \$ 1,544 | \$ 584 | \$ 2,207 |
| Lease value amortization included in rental income ⁽¹⁾ | \$ (425) | \$ (286) | \$ (732) | \$ (564) |
| Non-cash amortization included in other operating expenses ⁽²⁾ | \$ 121 | \$ - | \$ 242 | \$ - |
| Non-cash amortization included in general and administrative expenses ⁽²⁾ | \$ 151 | \$ - | \$ 302 | \$ - |
| Capitalized interest expense | \$ 9 | \$ - | \$ 9 | \$ - |

- (1) We report rental income on a straight line basis over the terms of the respective leases; accordingly, rental income includes non-cash straight line rent adjustments. Rental income also includes expense reimbursements, tax escalations, parking revenues, service income and other fixed and variable charges paid to us by our tenants, as well as the net effect of non-cash amortization of intangible lease assets and liabilities.
- (2) We recorded a liability for the amount by which the estimated fair value for accounting purposes exceeded the price we paid for our investment in RMR common stock in June 2015. A portion of this liability is being amortized on a straight line basis through December 31, 2035 as an allocated reduction to business management fees and property management fees, which are included in general and administrative and other operating expenses, respectively.



CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(dollar amounts in thousands)

| | For the Six Months Ended | |
|--------------------------------------------------------------------------------------|--------------------------|-----------------|
| | 6/30/2016 | 6/30/2015 |
| Cash flows from operating activities: | | |
| Net income (loss) | \$ 34,200 | \$ (224,533) |
| Adjustments to reconcile net income (loss) to cash provided by operating activities: | | |
| Depreciation | 20,781 | 19,363 |
| Net amortization of debt premiums and discounts and debt issuance costs | 1,219 | 660 |
| Gain on early extinguishment of debt | (104) | - |
| Straight line rental income | (584) | (2,207) |
| Amortization of acquired real estate leases | 14,842 | 14,617 |
| Amortization of deferred leasing costs | 1,475 | 1,087 |
| Other non-cash (income) expense, net | 302 | 1,057 |
| Equity in earnings of investees | (19,334) | (5,778) |
| (Gain) loss on issuance of shares by Select Income REIT | (16) | 42,124 |
| Loss on impairment of Select Income REIT investment | - | 203,297 |
| Distributions of earnings from Select Income REIT | 17,760 | 10,425 |
| Change in assets and liabilities: | | |
| Restricted cash | 678 | (174) |
| Deferred leasing costs | (3,409) | (2,123) |
| Rents receivable | 1,428 | 539 |
| Other assets | 1,120 | 2,027 |
| Accounts payable and accrued expenses | 971 | 1,491 |
| Due to related persons | 692 | 983 |
| Net cash provided by operating activities | <u>72,021</u> | <u>62,855</u> |
| Cash flows from investing activities: | | |
| Real estate acquisitions and deposits | (79,285) | (1,400) |
| Real estate improvements | (14,149) | (5,386) |
| Investment in Select Income REIT | - | (95,821) |
| Investment in RMR | - | (6,468) |
| Distributions in excess of earnings from Select Income REIT | 7,158 | 11,687 |
| Proceeds from sale of properties, net | - | 30,520 |
| Net cash used in investing activities | <u>(86,276)</u> | <u>(66,868)</u> |
| Cash flows from financing activities: | | |
| Repayment of mortgage notes payable | (107,202) | (1,203) |
| Proceeds from issuance of senior notes | 310,000 | - |
| Borrowings on unsecured revolving credit facility | 229,000 | 100,000 |
| Repayments on unsecured revolving credit facility | (346,000) | (41,000) |
| Payment of debt issuance costs | (10,138) | (16) |
| Distributions to common shareholders | (61,169) | (60,508) |
| Net cash provided by (used in) financing activities | <u>14,491</u> | <u>(2,727)</u> |
| Increase (decrease) in cash and cash equivalents | 236 | (6,740) |
| Cash and cash equivalents at beginning of period | <u>8,785</u> | <u>13,791</u> |
| Cash and cash equivalents at end of period | <u>\$ 9,021</u> | <u>\$ 7,051</u> |
| Supplemental cash flow information: | | |
| Interest paid | \$ 17,343 | \$ 17,980 |
| Income taxes paid | \$ 76 | \$ 78 |
| Interest capitalized | \$ 9 | \$ - |
| Non-cash investing activities: | | |
| Investment in RMR paid in common stock | \$ - | \$ 13,836 |



DEBT SUMMARY

As of June 30, 2016
(dollars in thousands)

| | Coupon Rate | Interest Rate | Principal Balance ⁽¹⁾ | Maturity Date | Due at Maturity | Years to Maturity |
|------------------------------------------------------------------|----------------|------------------|-------------------------------------|------------------|--------------------|----------------------|
| <u>Unsecured Floating Rate Debt:</u> | | | | | | |
| \$750,000 unsecured revolving credit facility ^{(2) (5)} | 1.666% | 1.666% | \$ - | 1/31/2019 | \$ - | 2.6 |
| \$300,000 unsecured term loan ^{(3) (5)} | 1.860% | 1.860% | 300,000 | 3/31/2020 | 300,000 | 3.8 |
| \$250,000 unsecured term loan ^{(4) (5)} | 2.260% | 2.260% | 250,000 | 3/31/2022 | 250,000 | 5.8 |
| Total / weighted average | 2.042% | 2.042% | 550,000 | | 550,000 | 4.7 |
| <u>Unsecured Fixed Rate Debt:</u> | | | | | | |
| Senior unsecured notes due 2019 | 3.750% | 3.930% | 350,000 | 8/15/2019 | 350,000 | 3.1 |
| Senior unsecured notes due 2046 | 5.875% | 5.875% | 310,000 | 5/1/2046 | 310,000 | 29.9 |
| Total / weighted average | 4.748% | 4.844% | 660,000 | | 660,000 | 15.7 |
| <u>Secured Fixed Rate Debt:</u> | | | | | | |
| Mortgage debt - One building in Fairfax, VA | 5.877% | 5.877% | 14,049 | 8/11/2021 | 12,702 | 5.1 |
| Mortgage debt - One building in Tampa, FL | 7.000% | 5.150% | 8,608 | 3/1/2019 | 7,890 | 2.7 |
| Mortgage debt - One building in Lakewood, CO | 8.150% | 6.150% | 5,581 | 3/1/2021 | - | 4.7 |
| Total / weighted average | 6.668% | 5.709% | 28,238 | | 20,592 | 4.3 |
| Total / weighted average | 3.590% | 3.619% | \$ 1,238,238 | | \$ 1,230,592 | 10.5 |

- (1) Principal balances exclude unamortized premiums, discounts and issuance costs related to these debts. Total debt outstanding as of June 30, 2016, net of unamortized premiums, discounts and certain issuance costs totaling \$16,481, was \$1,221,757.
- (2) We are required to pay interest on borrowings under our \$750,000 revolving credit facility at an annual rate of LIBOR plus a premium of 125 basis points. We also pay a facility fee of 25 basis points per annum on the total amount of lending commitments. Both the interest rate premium and facility fee are subject to adjustment based upon changes to our credit ratings. The coupon rate and interest rate listed above are as of June 30, 2016. Subject to meeting certain conditions and payment of a fee, we may extend the maturity date to January 31, 2020.
- (3) We are required to pay interest on the amounts outstanding under our \$300,000 unsecured term loan at an annual rate of LIBOR plus a premium of 140 basis points, subject to adjustment based on changes to our credit ratings. The coupon rate and interest rate listed above are as of June 30, 2016. Our \$300,000 unsecured term loan is prepayable without penalty at any time.
- (4) We are required to pay interest on the amounts outstanding under our \$250,000 unsecured term loan at an annual rate of LIBOR plus a premium of 180 basis points, subject to adjustment based on changes to our credit ratings. The coupon rate and interest rate listed above are as of June 30, 2016. Our \$250,000 unsecured term loan is prepayable at any time, subject to a prepayment premium of 1% on the amount prepaid on or prior to November 21, 2016, and with no prepayment penalty on amounts paid thereafter.
- (5) The maximum aggregate borrowing availability under the credit agreement governing our revolving credit facility and term loans may be increased to up to \$2,500,000 on a combined basis in certain circumstances.



DEBT MATURITY SCHEDULE

As of June 30, 2016
(dollars in thousands)

| Year | Unsecured Floating Rate Debt | Unsecured Fixed Rate Debt ⁽⁴⁾ | Secured Fixed Rate Debt ⁽⁴⁾ | Total ⁽⁵⁾ |
|-----------------------|------------------------------------|------------------------------------------------|----------------------------------------------|----------------------|
| 2016 | \$ - | \$ - | \$ 730 | \$ 730 |
| 2017 | - | - | 1,549 | 1,549 |
| 2018 | - | - | 1,671 | 1,671 |
| 2019 | - ⁽¹⁾ | 350,000 | 9,439 | 359,439 |
| 2020 | 300,000 ⁽²⁾ | - | 1,619 | 301,619 |
| 2021 | - | - | 13,230 | 13,230 |
| 2022 | 250,000 ⁽³⁾ | - | - | 250,000 |
| 2046 | - | 310,000 | - | 310,000 |
| Total | <u>\$ 550,000</u> | <u>\$ 660,000</u> | <u>\$ 28,238</u> | <u>\$ 1,238,238</u> |
| Percent of total debt | <u>44.4%</u> | <u>53.3%</u> | <u>2.3%</u> | <u>100.0%</u> |

- (1) Represents amounts outstanding under our \$750,000 revolving credit facility at June 30, 2016. Subject to meeting certain conditions and payment of a fee, we may extend the maturity date of our revolving credit facility by one year to January 31, 2020.
- (2) Represents the outstanding balance of our \$300,000 unsecured term loan at June 30, 2016. We may prepay this term loan without penalty at any time.
- (3) Represents the outstanding balance of our \$250,000 unsecured term loan at June 30, 2016. We may prepay this term loan at any time, subject to a prepayment premium of 1% on the amount prepaid on or prior to November 21, 2016, and with no prepayment penalty on amounts paid thereafter.
- (4) Principal balances are the amounts actually payable pursuant to the applicable agreements. Our carrying values may differ from these amounts because of the effect of unamortized premiums, discounts and certain issuance costs related to these debts.
- (5) Our total debt as of June 30, 2016, net of unamortized premiums, discounts and certain issuance costs totaling \$16,481, was \$1,221,757.

LEVERAGE RATIOS, COVERAGE RATIOS AND PUBLIC DEBT COVENANTS



| | As of and for the Three Months Ended | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|-----------|------------|-----------|-----------|
| | 6/30/2016 | 3/31/2016 | 12/31/2015 | 9/30/2015 | 6/30/2015 |
| <u>Leverage Ratios:</u> | | | | | |
| Total debt (book value) ⁽¹⁾ / total gross assets ⁽²⁾ | 48.4% | 48.8% | 47.3% | 46.3% | 46.0% |
| Total debt (book value) ⁽¹⁾ / gross book value of real estate assets ⁽³⁾ and market value of SIR common shares ⁽⁴⁾ | 46.1% | 48.0% | 47.6% | 48.1% | 47.0% |
| Total debt (book value) ⁽¹⁾ / total market capitalization ⁽⁵⁾ | 42.7% | 49.3% | 50.4% | 50.1% | 46.3% |
| Secured debt (book value) ⁽¹⁾ / total assets | 1.3% | 1.3% | 6.3% | 6.2% | 8.3% |
| Variable rate debt (book value) ⁽¹⁾ / total debt (book value) ⁽¹⁾ | 44.8% | 69.6% | 57.9% | 57.8% | 53.3% |
| <u>Coverage Ratios:</u> | | | | | |
| Adjusted EBITDA ⁽⁶⁾ / interest expense | 4.7x | 5.1x | 5.1x | 5.0x | 4.6x |
| Total debt (book value) ⁽¹⁾ / Annualized Adjusted EBITDA ⁽⁶⁾ | 6.2x | 6.4x | 6.2x | 6.2x | 6.5x |
| <u>Public Debt Covenants:</u> | | | | | |
| Total debt / adjusted total assets - allowable maximum 60.0% | 45.1% | 46.5% | 46.4% | 46.7% | 45.8% |
| Secured debt / adjusted total assets - allowable maximum 40.0% | 1.0% | 1.1% | 5.5% | 5.5% | 7.3% |
| Consolidated income available for debt service / debt service - required minimum 1.50x | 3.9x | 5.3x | 5.6x | 5.4x | 5.0x |
| Total unencumbered assets to unsecured debt - required minimum 150.0% | 221.9% | 214.9% | 222.6% | 220.9% | 244.3% |

(1) Debt amounts are net of unamortized premiums, discounts and certain issuance costs.

(2) Total gross assets is total assets plus accumulated depreciation.

(3) Gross book value of real estate assets is real estate properties, at cost, before purchase price allocations, less impairment writedowns, if any. Excludes one property (one building) classified as held for sale and one property (one building) classified as discontinued operations in the respective periods presented.

(4) As of June 30, 2016, we owned 24,918,421 common shares of SIR. The closing price of SIR's common shares on June 30, 2016 was \$25.99 per share.

(5) Total market capitalization is total debt plus the market value of our common shares at the end of each period.

(6) See page 21 for the calculation of EBITDA and Adjusted EBITDA and a reconciliation of net income (loss) determined in accordance with GAAP to those amounts.



SUMMARY OF CAPITAL EXPENDITURES ⁽¹⁾

(dollars and sq. ft. in thousands, except per sq. ft. data)

| | For the Three Months Ended | | | | |
|----------------------------------------------------------------|----------------------------|------------------|------------------|-----------------|-----------------|
| | 6/30/2016 | 3/31/2016 | 12/31/2015 | 9/30/2015 | 6/30/2015 |
| Tenant improvements ⁽²⁾ | \$ 4,681 | \$ 1,989 | \$ 2,763 | \$ 2,213 | \$ 1,506 |
| Leasing costs ⁽³⁾ | 3,035 | 4,312 | 2,290 | 439 | 1,786 |
| Building improvements ⁽⁴⁾ | 2,649 | 3,033 | 5,256 | 2,210 | 1,193 |
| Recurring capital expenditures | 10,365 | 9,334 | 10,309 | 4,862 | 4,485 |
| Development, redevelopment and other activities ⁽⁵⁾ | 2,161 | 768 | 1,247 | 946 | 221 |
| Total capital expenditures | <u>\$ 12,526</u> | <u>\$ 10,102</u> | <u>\$ 11,556</u> | <u>\$ 5,808</u> | <u>\$ 4,706</u> |
| Average sq. ft. during period ⁽⁶⁾ | 10,986 | 10,844 | 10,701 | 10,700 | 10,699 |
| Building improvements per average sq. ft. during period | \$ 0.24 | \$ 0.28 | \$ 0.49 | \$ 0.21 | \$ 0.11 |

(1) Amounts exclude one property (one building) classified as discontinued operations.

(2) Tenant improvements include capital expenditures used to improve tenants' space or amounts paid directly to tenants to improve their space.

(3) Leasing costs include leasing related costs, such as brokerage commissions and tenant inducements.

(4) Building improvements generally include expenditures to replace obsolete building components and expenditures that extend the useful life of existing assets.

(5) Development, redevelopment and other activities generally include (i) capital expenditures that are identified at the time of a property acquisition and incurred within a short time period after acquiring the property, and (ii) capital expenditure projects that reposition a property or result in new sources of revenue.

(6) Rentable square footage is subject to changes when space is re-measured or re-configured for tenants.

PROPERTY ACQUISITION AND DISPOSITION INFORMATION SINCE JANUARY 1, 2016



(dollars and sq. ft. in thousands, except per sq. ft. data)

Acquisitions:

| Date Acquired | City and State | Number of Properties | Number of Buildings | Sq. Ft. | Purchase Price ⁽¹⁾ | Purchase Price ⁽¹⁾ / Sq. Ft. | Cap Rate ⁽²⁾ | Weighted Average Remaining Lease Term ⁽³⁾ | Percent Leased ⁽⁴⁾ | Major Tenant |
|--------------------------|----------------|-------------------------|------------------------|---------|----------------------------------|-----------------------------------------------|----------------------------|------------------------------------------------------------------|----------------------------------|---------------------|
| 1/29/2016 | Sacramento, CA | 1 | 1 | 338 | \$ 79,235 | \$ 234 | 7.2% | 7.0 | 86.1% | State of California |
| Total / Weighted Average | | 1 | 1 | 338 | \$ 79,235 | \$ 234 | 7.2% | 7.0 | 86.1% | |

⁽¹⁾ Represents the purchase price, including assumed debt, if any, and excludes acquisition costs, amounts necessary to adjust assumed liabilities to their fair values and purchase price allocations to intangibles.

⁽²⁾ Represents the ratio of (x) annual straight line rental income, excluding the impact of above and below market lease amortization, based on existing leases at the acquisition date, less estimated annual property operating expenses as of the date of acquisition, excluding depreciation and amortization expense, to (y) the acquisition purchase price, including the principal amount of assumed debt, if any, and excluding acquisition related costs.

⁽³⁾ Average remaining lease term in years weighted based on rental income as of the date of acquisition.

⁽⁴⁾ Percent leased as of the date of acquisition.

Dispositions:

| Date Sold | City and State | Number of Properties | Number of Buildings | Sq. Ft. | Sale Price ⁽¹⁾ |
|--------------|----------------|-------------------------|------------------------|---------|------------------------------|
| 7/22/2016 | Savannah, GA | 1 | 1 | 35 | \$ 4,000 |
| | | 1 | 1 | 35 | \$ 4,000 |

⁽¹⁾ Represents the gross contract sale price and excludes closing costs.

CALCULATION OF PROPERTY NET OPERATING INCOME (NOI) AND CASH BASIS NOI ⁽¹⁾



(dollars in thousands)

| | For the Three Months Ended | | | | | For the Six Months Ended | |
|----------------------------------------------------------------------------------|----------------------------|------------------|-------------------|------------------|---------------------|--------------------------|---------------------|
| | 6/30/2016 | 3/31/2016 | 12/31/2015 | 9/30/2015 | 6/30/2015 | 6/30/2016 | 6/30/2015 |
| <u>Calculation of NOI and Cash Basis NOI ⁽²⁾</u> | | | | | | | |
| Rental income ⁽³⁾ | \$ 64,061 | \$ 63,611 | \$ 61,685 | \$ 62,092 | \$ 62,113 | \$ 127,672 | \$ 124,772 |
| Property operating expenses | (24,505) | (24,738) | (24,981) | (25,210) | (23,865) | (49,243) | (48,056) |
| Property net operating income (NOI) | 39,556 | 38,873 | 36,704 | 36,882 | 38,248 | 78,429 | 76,716 |
| Non-cash straight line rent adjustments included in rental income ⁽³⁾ | (435) | (149) | (1,159) | (613) | (1,544) | (584) | (2,207) |
| Lease value amortization included in rental income ⁽³⁾ | 425 | 307 | 293 | 298 | 286 | 732 | 564 |
| Non-cash amortization included in property operating expenses ⁽⁴⁾ | (121) | (121) | (121) | (125) | - | (242) | - |
| Cash Basis NOI | <u>\$ 39,425</u> | <u>\$ 38,910</u> | <u>\$ 35,717</u> | <u>\$ 36,442</u> | <u>\$ 36,990</u> | <u>\$ 78,335</u> | <u>\$ 75,073</u> |
| <u>Reconciliation of NOI and Cash Basis NOI to Net Income (Loss):</u> | | | | | | | |
| Cash Basis NOI | \$ 39,425 | \$ 38,910 | \$ 35,717 | \$ 36,442 | \$ 36,990 | \$ 78,335 | \$ 75,073 |
| Non-cash straight line rent adjustments included in rental income ⁽³⁾ | 435 | 149 | 1,159 | 613 | 1,544 | 584 | 2,207 |
| Lease value amortization included in rental income ⁽³⁾ | (425) | (307) | (293) | (298) | (286) | (732) | (564) |
| Non-cash amortization included in property operating expenses ⁽⁴⁾ | 121 | 121 | 121 | 125 | - | 242 | - |
| NOI | 39,556 | 38,873 | 36,704 | 36,882 | 38,248 | 78,429 | 76,716 |
| Depreciation and amortization | (17,985) | (18,324) | (17,021) | (17,161) | (17,299) | (36,309) | (34,514) |
| Acquisition related costs | (64) | (152) | (352) | (270) | (183) | (216) | (189) |
| General and administrative | (4,008) | (3,526) | (3,395) | (3,714) | (3,713) | (7,534) | (7,717) |
| Operating income | 17,499 | 16,871 | 15,936 | 15,737 | 17,053 | 34,370 | 34,296 |
| Dividend income | 363 | - | 811 | - | - | 363 | - |
| Interest income | 10 | 6 | - | 2 | - | 16 | 12 |
| Interest expense | (10,314) | (9,364) | (9,114) | (9,137) | (9,455) | (19,678) | (18,757) |
| Gain on early extinguishment of debt | - | 104 | - | 34 | - | 104 | - |
| Loss on distribution to common shareholders of RMR common stock ⁽⁵⁾ | - | - | (12,368) | - | - | - | - |
| Gain (loss) on issuance of shares by SIR | 16 | - | - | (21) | (1,353) | 16 | (42,124) |
| Loss on impairment of SIR investment | - | - | - | - | (203,297) | - | (203,297) |
| Income tax (expense) benefit | (35) | (15) | (37) | 13 | (32) | (50) | (62) |
| Equity in earnings of investees | 9,400 | 9,934 | 2,568 | 10,294 | 6,094 | 19,334 | 5,778 |
| Income (loss) from continuing operations | 16,939 | 17,536 | (2,204) | 16,922 | (190,990) | 34,475 | (224,154) |
| Loss from discontinued operations | (126) | (149) | (135) | (11) | (173) | (275) | (379) |
| Net income (loss) | <u>\$ 16,813</u> | <u>\$ 17,387</u> | <u>\$ (2,339)</u> | <u>\$ 16,911</u> | <u>\$ (191,163)</u> | <u>\$ 34,200</u> | <u>\$ (224,533)</u> |

- (1) See definitions of Certain Non-GAAP Financial Measures on page 23 for a definition of NOI and Cash Basis NOI, a description of why we believe they are appropriate supplemental measures and a description of how we use these measures.
- (2) Excludes one property (one building) classified as discontinued operations.
- (3) We report rental income on a straight line basis over the terms of the respective leases; as a result, rental income includes non-cash straight line rent adjustments. Rental income also includes expense reimbursements, tax escalations, parking revenues, service income and other fixed and variable charges paid to us by our tenants, as well as the net effect of non-cash amortization of intangible lease assets and liabilities.
- (4) We recorded a liability for the amount by which the estimated fair value for accounting purposes exceeded the price we paid for our investment in RMR common stock in June 2015. A portion of this liability is being amortized on a straight line basis through December 31, 2035 as a reduction to property management fees, which are included in property operating expenses.
- (5) Amount represents a non-cash loss recorded as a result of the closing price of RMR common stock being lower than our carrying amount per share on the day we distributed RMR common stock to our shareholders.



CALCULATION OF SAME PROPERTY NOI AND CASH BASIS NOI ⁽¹⁾

(dollars in thousands)

| | For the Three Months Ended | | For the Six Months Ended | |
|----------------------------------------------------------------------------------------|----------------------------|------------------|--------------------------|------------------|
| | 6/30/2016 | 6/30/2015 | 6/30/2016 | 6/30/2015 |
| Reconciliation of Property NOI to Same Property NOI: ⁽²⁾⁽³⁾ | | | | |
| Rental income | \$ 64,061 | \$ 62,113 | \$ 127,672 | \$ 124,772 |
| Property operating expenses | (24,505) | (23,865) | (49,243) | (48,056) |
| Property NOI | 39,556 | 38,248 | 78,429 | 76,716 |
| Less: NOI of properties not included in same property results | (1,330) | 89 | (2,289) | (891) |
| Same property NOI | <u>\$ 38,226</u> | <u>\$ 38,337</u> | <u>\$ 76,140</u> | <u>\$ 75,825</u> |
| Calculation of Same Property Cash Basis NOI: ⁽³⁾ | | | | |
| Same property NOI | \$ 38,226 | \$ 38,337 | \$ 76,140 | \$ 75,825 |
| Add: Lease value amortization included in rental income ⁽⁴⁾ | 438 | 286 | 732 | 564 |
| Less: Non-cash straight line rent adjustments included in rental income ⁽⁴⁾ | (367) | (1,544) | (469) | (2,207) |
| Non-cash amortization included in property operating expenses ⁽⁵⁾ | (121) | - | (242) | - |
| Same property Cash Basis NOI | <u>\$ 38,176</u> | <u>\$ 37,079</u> | <u>\$ 76,161</u> | <u>\$ 74,182</u> |

- (1) See Definitions of Certain Non-GAAP Financial Measures on page 23 for a definition of NOI and Cash Basis NOI, a description of why we believe they are appropriate supplemental measures and a description of how we use these measures.
- (2) Excludes one property (one building) classified as discontinued operations.
- (3) For the three months and six months ended June 30, 2016, same property NOI and same property Cash Basis NOI are based on properties we owned as of June 30, 2016, and which we owned continuously since April 1, 2015 and January 1, 2015, respectively, excluding one property (one building) classified as discontinued operations.
- (4) We report rental income on a straight line basis over the terms of the respective leases; as a result, rental income includes non-cash straight line rent adjustments. Rental income also includes expense reimbursements, tax escalations, parking revenues, service income and other fixed and variable charges paid to us by our tenants, as well as the net effect of non-cash amortization of intangible lease assets and liabilities.
- (5) We recorded a liability for the amount by which the estimated fair value for accounting purposes exceeded the price we paid for our investment in RMR common stock in June 2015. A portion of this liability is being amortized on a straight line basis through December 31, 2035 as a reduction to property management fees, which are included in property operating expenses.



CALCULATION OF EBITDA AND ADJUSTED EBITDA ⁽¹⁾

(dollars in thousands)

| | For the Three Months Ended | | | | | For the Six Months Ended | |
|--------------------------------------------------------------------------------|----------------------------|------------------|------------------|------------------|------------------|--------------------------|------------------|
| | 6/30/2016 | 3/31/2016 | 12/31/2015 | 9/30/2015 | 6/30/2015 | 6/30/2016 | 6/30/2015 |
| Net income (loss) | \$ 16,813 | \$ 17,387 | \$ (2,339) | \$ 16,911 | \$ (191,163) | \$ 34,200 | \$ (224,533) |
| Add: Interest expense | 10,314 | 9,364 | 9,114 | 9,137 | 9,455 | 19,678 | 18,757 |
| Income tax expense | 35 | 15 | 37 | - | 32 | 50 | 62 |
| Depreciation and amortization | 17,985 | 18,324 | 17,021 | 17,161 | 17,299 | 36,309 | 34,514 |
| Less: Income tax benefit | - | - | - | (13) | - | - | - |
| EBITDA | 45,147 | 45,090 | 23,833 | 43,196 | (164,377) | 90,237 | (171,200) |
| Add: Acquisition related costs | 64 | 152 | 352 | 270 | 183 | 216 | 189 |
| General and administrative expense paid in common shares ⁽²⁾ | 678 | 167 | 145 | 227 | 466 | 845 | 973 |
| Loss on distribution to common shareholders of RMR common stock ⁽³⁾ | - | - | 12,368 | - | - | - | - |
| Loss on issuance of shares by SIR | - | - | - | 21 | 1,353 | - | 42,124 |
| Loss on impairment of SIR investment | - | - | - | - | 203,297 | - | 203,297 |
| Distributions received from SIR | 12,459 | 12,459 | 12,459 | 12,459 | 8,582 | 24,918 | 22,112 |
| Less: Gain on early extinguishment of debt | - | (104) | - | (34) | - | (104) | - |
| Equity in earnings of SIR | (9,383) | (9,857) | (2,618) | (10,318) | (6,072) | (19,240) | (5,683) |
| Gain on issuance of shares by SIR | (16) | - | - | - | - | (16) | - |
| Adjusted EBITDA | <u>\$ 48,949</u> | <u>\$ 47,907</u> | <u>\$ 46,539</u> | <u>\$ 45,821</u> | <u>\$ 43,432</u> | <u>\$ 96,856</u> | <u>\$ 91,812</u> |

- (1) See Definitions of Certain Non-GAAP Financial Measures on page 23 for a definition of EBITDA and Adjusted EBITDA and a description of why we believe they are appropriate supplemental measures. Adjustments were made to certain prior period amounts to conform to the current period Adjusted EBITDA calculation.
- (2) Amounts represent the portion of business management fees that were payable in our common shares as well as equity based compensation for our trustees, officers and certain other employees of RMR's operating subsidiary, The RMR Group LLC. Beginning June 1, 2015, all business management fees are paid in cash.
- (3) Amount represents a non-cash loss recorded as a result of the closing price of RMR common stock being lower than our carrying amount per share on the day we distributed RMR common stock to our shareholders.

CALCULATION OF FUNDS FROM OPERATIONS (FFO) AND NORMALIZED FFO ⁽¹⁾

(amounts in thousands, except per share data)



| | For the Three Months Ended | | | | | For the Six Months Ended | |
|--------------------------------------------------------------------------------|----------------------------|------------------|------------------|------------------|------------------|--------------------------|------------------|
| | 6/30/2016 | 3/31/2016 | 12/31/2015 | 9/30/2015 | 6/30/2015 | 6/30/2016 | 6/30/2015 |
| Net income (loss) | \$ 16,813 | \$ 17,387 | \$ (2,339) | \$ 16,911 | \$ (191,163) | \$ 34,200 | \$ (224,533) |
| Add: Depreciation and amortization | 17,985 | 18,324 | 17,021 | 17,161 | 17,299 | 36,309 | 34,514 |
| FFO attributable to SIR investment | 17,887 | 18,458 | 12,144 | 17,780 | 17,287 | 36,345 | 26,181 |
| Less: Equity in earnings of SIR | (9,383) | (9,857) | (2,618) | (10,318) | (6,072) | (19,240) | (5,683) |
| FFO | 43,302 | 44,312 | 24,208 | 41,534 | (162,649) | 87,614 | (169,521) |
| Add: Acquisition related costs | 64 | 152 | 352 | 270 | 183 | 216 | 189 |
| Loss on distribution to common shareholders of RMR common stock ⁽²⁾ | - | - | 12,368 | - | - | - | - |
| Loss on issuance of shares by SIR | - | - | - | 21 | 1,353 | - | 42,124 |
| Loss on impairment of SIR investment | - | - | - | - | 203,297 | - | 203,297 |
| Normalized FFO attributable to SIR investment | 17,887 | 18,475 | 18,835 | 17,892 | 17,506 | 36,362 | 33,284 |
| Less: FFO attributable to SIR investment | (17,887) | (18,458) | (12,144) | (17,780) | (17,287) | (36,345) | (26,181) |
| Gain on early extinguishment of debt | - | (104) | - | (34) | - | (104) | - |
| Gain on issuance of shares by SIR | (16) | - | - | - | - | (16) | - |
| Normalized FFO | <u>\$ 43,350</u> | <u>\$ 44,377</u> | <u>\$ 43,619</u> | <u>\$ 41,903</u> | <u>\$ 42,403</u> | <u>\$ 87,727</u> | <u>\$ 83,192</u> |
| Weighted average common shares outstanding (basic) | <u>71,038</u> | <u>71,031</u> | <u>71,030</u> | <u>71,004</u> | <u>70,485</u> | <u>71,034</u> | <u>70,377</u> |
| Weighted average common shares outstanding (diluted) | <u>71,061</u> | <u>71,031</u> | <u>71,030</u> | <u>71,021</u> | <u>70,485</u> | <u>71,046</u> | <u>70,377</u> |
| Per common share amounts: | | | | | | | |
| Net income (loss) (basic and diluted) | <u>\$ 0.24</u> | <u>\$ 0.24</u> | <u>\$ (0.03)</u> | <u>\$ 0.24</u> | <u>\$ (2.71)</u> | <u>\$ 0.48</u> | <u>\$ (3.19)</u> |
| FFO (basic and diluted) | <u>\$ 0.61</u> | <u>\$ 0.62</u> | <u>\$ 0.34</u> | <u>\$ 0.58</u> | <u>\$ (2.31)</u> | <u>\$ 1.23</u> | <u>\$ (2.41)</u> |
| Normalized FFO (basic) | <u>\$ 0.61</u> | <u>\$ 0.62</u> | <u>\$ 0.61</u> | <u>\$ 0.59</u> | <u>\$ 0.60</u> | <u>\$ 1.24</u> | <u>\$ 1.18</u> |
| Normalized FFO (diluted) | <u>\$ 0.61</u> | <u>\$ 0.62</u> | <u>\$ 0.61</u> | <u>\$ 0.59</u> | <u>\$ 0.60</u> | <u>\$ 1.23</u> | <u>\$ 1.18</u> |

(1) See Definitions of Certain Non-GAAP Financial Measures on page 23 for a definition of FFO and Normalized FFO, a description of why we believe they are appropriate supplemental measures and a description of how we use these measures.

(2) Amount represents a non-cash loss recorded as a result of the closing price of RMR common stock being lower than our carrying amount per share on the day we distributed RMR common stock to our shareholders.



DEFINITIONS OF CERTAIN NON-GAAP FINANCIAL MEASURES

Definition of NOI and Cash Basis NOI

We calculate NOI and Cash Basis NOI as shown on page 19. The calculations of NOI and Cash Basis NOI exclude certain components of net income (loss) in order to provide results that are more closely related to our property level results of operations. We define NOI as income from our rental of real estate less our property operating expenses. NOI excludes amortization of capitalized tenant improvement costs and leasing commissions because we record those amounts as depreciation and amortization. We define Cash Basis NOI as NOI excluding non-cash straight line rent adjustments, lease value amortization and non-cash amortization included in other operating expenses. We consider NOI and Cash Basis NOI to be appropriate supplemental measures to net income (loss) because they may help both investors and management to understand the operations of our properties. We use NOI and Cash Basis NOI to evaluate individual and company wide property level performance, and we believe that NOI and Cash Basis NOI provide useful information to investors regarding our results of operations because they reflect only those income and expense items that are generated and incurred at the property level and may facilitate comparisons of our operating performance between periods and with other REITs. NOI and Cash Basis NOI do not represent cash generated by operating activities in accordance with GAAP and should not be considered as alternatives to net income (loss) or operating income as an indicator of our operating performance or as a measure of our liquidity. These measures should be considered in conjunction with net income (loss), operating income and cash flow from operating activities as presented in our Condensed Consolidated Statements of Income (Loss) and Condensed Consolidated Statements of Cash Flows. Other REITs and real estate companies may calculate NOI and Cash Basis NOI differently than we do.

Definition of EBITDA and Adjusted EBITDA

We calculate EBITDA and Adjusted EBITDA as shown on page 20. We consider EBITDA and Adjusted EBITDA to be appropriate supplemental measures of our operating performance, along with net income (loss), operating income and cash flow from operating activities. We believe that EBITDA and Adjusted EBITDA provide useful information to investors because by excluding the effects of certain historical amounts, such as interest, depreciation and amortization expense, EBITDA and Adjusted EBITDA may facilitate a comparison of current operating performance with our past operating performance. EBITDA and Adjusted EBITDA do not represent cash generated by operating activities in accordance with GAAP and should not be considered alternatives to net income (loss) or operating income as an indicator of operating performance or as a measure of GOV's liquidity. These measures should be considered in conjunction with net income (loss), operating income and cash flow from operating activities as presented in our Condensed Consolidated Statements of Income (Loss) and Condensed Consolidated Statements of Cash Flows. Other REITs and real estate companies may calculate EBITDA and Adjusted EBITDA differently than we do.

Definition of FFO and Normalized FFO

We calculate FFO and Normalized FFO as shown on page 22. FFO is calculated on the basis defined by The National Association of Real Estate Investment Trusts, or NAREIT, which is net income (loss), calculated in accordance with GAAP, plus real estate depreciation and amortization and the difference between FFO attributable to an equity investment and equity in earnings (losses) of an equity investee but excluding impairment charges on real estate assets, carrying value adjustments of real estate assets held for sale, any gain or loss on sale of properties, as well as certain other adjustments currently not applicable to us. Our calculation of Normalized FFO differs from NAREIT's definition of FFO because we include the difference between FFO and Normalized FFO attributable to our equity investment in SIR, we include business management incentive fees, if any, only in the fourth quarter versus the quarter when they are recognized as expense in accordance with GAAP due to their quarterly volatility not necessarily being indicative of our core operating performance and the uncertainty as to whether any such business management incentive fees will ultimately be payable when all contingencies for determining any such fees are determined at the end of the calendar year and we exclude acquisition related costs, gains or losses on early extinguishment of debt, loss on impairment of SIR investment, gains or losses on issuance of shares by SIR and loss on distribution to common shareholders of RMR common stock. We consider FFO and Normalized FFO to be appropriate supplemental measures of operating performance for a REIT, along with net income (loss), operating income and cash flow from operating activities. We believe that FFO and Normalized FFO provide useful information to investors because by excluding the effects of certain historical amounts, such as depreciation expense, FFO and Normalized FFO may facilitate a comparison of our operating performance between periods and with other REITs. FFO and Normalized FFO are among the factors considered by our Board of Trustees when determining the amount of distributions to our shareholders. Other factors include, but are not limited to, requirements to maintain our qualification for taxation as a REIT, limitations in our credit agreement and public debt covenants, the availability to us of debt and equity capital, our expectation of our future capital requirements and operating performance, our receipt of distributions from SIR and our expected needs and availability of cash to pay our obligations. FFO and Normalized FFO do not represent cash generated by operating activities in accordance with GAAP and should not be considered as alternatives to net income (loss) or operating income as an indicator of our operating performance or as a measure of our liquidity. These measures should be considered in conjunction with net income (loss), operating income and cash flow from operating activities as presented in our Condensed Consolidated Statements of Income (Loss) and Condensed Consolidated Statements of Cash Flows. Other REITs and real estate companies may calculate FFO and Normalized FFO differently than we do.



PORTFOLIO INFORMATION



625 Indiana Avenue, Washington, DC
Square Feet: 160,897
Primary Agency Occupant: U.S. Courts

PORTFOLIO SUMMARY ⁽¹⁾

As of June 30, 2016



| | Number of Properties | Number of Buildings | Sq. Ft. ⁽²⁾ | % Sq. Ft. | % Leased ⁽³⁾ | % of Total Sq. Ft. Leased | % Rental Income Three Months Ended 6/30/2016 | % NOI Three Months Ended 6/30/2016 ⁽⁴⁾ | % Cash Basis NOI Three Months Ended 6/30/2016 ⁽⁴⁾ |
|--------------------------------------------------------|-------------------------|------------------------|------------------------|---------------|-------------------------|---------------------------------|----------------------------------------------------|---------------------------------------------------------|--------------------------------------------------------------------|
| Properties majority leased to the U.S. Government | 46 | 60 | 7,208,577 | 65.6% | 96.3% | 67.1% | 65.0% | 67.6% | 68.2% |
| Properties majority leased to state governments | 19 | 25 | 2,935,519 | 26.7% | 94.4% | 26.8% | 27.3% | 25.5% | 24.9% |
| Properties majority leased to other government tenants | 2 | 2 | 377,104 | 3.4% | 93.8% | 3.4% | 5.4% | 5.2% | 5.2% |
| Properties majority leased to non-government tenants | 2 | 2 | 319,344 | 2.9% | 86.6% | 2.7% | 1.8% | 1.5% | 1.5% |
| Other properties (currently vacant) | 3 | 3 | 144,823 | 1.4% | 0.0% | 0.0% | 0.5% | 0.2% | 0.2% |
| Total / Average | <u>72</u> | <u>92</u> | <u>10,985,367</u> | <u>100.0%</u> | <u>94.2%</u> | <u>100.0%</u> | <u>100.0%</u> | <u>100.0%</u> | <u>100.0%</u> |

(1) Excludes one property (one building) classified as discontinued operations.

(2) Rentable square footage is subject to changes when space is re-measured or re-configured for tenants.

(3) Percent leased includes (i) space being fitted out for occupancy pursuant to our lease agreements, if any, and (ii) space which is leased, but is not occupied or is being offered for sublease by tenants, if any, as of the measurement date.

(4) See page 19 for the calculation of NOI and Cash Basis NOI and a reconciliation of those amounts to net income (loss) determined in accordance with GAAP.



SUMMARY CONSOLIDATED AND SAME PROPERTY RESULTS – SECOND QUARTER

(dollars and sq. ft. in thousands)

| | Summary Consolidated Results ⁽¹⁾ | | Summary Same Property Results ⁽²⁾ | |
|----------------------------------------|---------------------------------------------|-----------|----------------------------------------------|-----------|
| | For the Three Months Ended | | For the Three Months Ended | |
| | 6/30/2016 | 6/30/2015 | 6/30/2016 | 6/30/2015 |
| Properties (end of period) | 72 | 71 | 71 | 71 |
| Total sq. ft. ⁽³⁾ | 10,985 | 10,699 | 10,648 | 10,699 |
| Percent leased ⁽⁴⁾ | 94.2% | 94.3% | 94.4% | 94.3% |
| Rental income ⁽⁵⁾ | \$ 64,061 | \$ 62,113 | \$ 61,920 | \$ 62,113 |
| NOI ⁽⁶⁾ | \$ 39,556 | \$ 38,248 | \$ 38,226 | \$ 38,337 |
| Cash Basis NOI ⁽⁶⁾ | \$ 39,425 | \$ 36,990 | \$ 38,176 | \$ 37,079 |
| NOI % margin ⁽⁷⁾ | 61.7% | 61.6% | 61.7% | 61.7% |
| Cash Basis NOI % margin ⁽⁷⁾ | 61.6% | 60.8% | 61.6% | 60.9% |
| NOI % change | 3.4% | - | (0.3%) | - |
| Cash Basis NOI % change | 6.6% | - | 3.0% | - |

(1) Based on properties we owned as of June 30, 2016, excluding one property (one building) classified as discontinued operations.

(2) Based on properties we owned as of June 30, 2016 and which we owned continuously since April 1, 2015, excluding one property (one building) classified as discontinued operations.

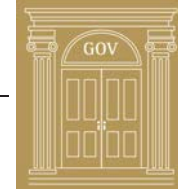
(3) Subject to changes when space is re-measured or re-configured for tenants.

(4) Percent leased includes (i) space being fitted out for occupancy pursuant to our lease agreements, if any, and (ii) space which is leased, but is not occupied or is being offered for sublease by tenants, if any, as of the measurement date.

(5) We report rental income on a straight line basis over the terms of the respective leases; accordingly, rental income includes non-cash straight line rent adjustments. Rental income also includes expense reimbursements, tax escalations, parking revenues, service income and other fixed and variable charges paid to us by our tenants, as well as the net effect of non-cash amortization of intangible lease assets and liabilities.

(6) See page 19 for the calculation of NOI and Cash Basis NOI and a reconciliation of those amounts to net income (loss) determined in accordance with GAAP and see page 20 for a calculation and reconciliation of same property NOI and same property Cash Basis NOI.

(7) NOI margin is defined as NOI as a percentage of rental income. Cash Basis NOI margin is defined as Cash Basis NOI as a percentage of cash basis rental income. Cash basis rental income excludes non-cash straight line rent adjustments as well as the net effect of non-cash amortization of intangible lease assets and liabilities.



SUMMARY CONSOLIDATED AND SAME PROPERTY RESULTS – SIX MONTHS

(dollars and sq. ft. in thousands)

| | Summary Consolidated Results ⁽¹⁾ | | Summary Same Property Results ⁽²⁾ | |
|----------------------------------------|---------------------------------------------|------------|----------------------------------------------|------------|
| | For the Six Months Ended | | For the Six Months Ended | |
| | 6/30/2016 | 6/30/2015 | 6/30/2016 | 6/30/2015 |
| Properties (end of period) | 72 | 71 | 71 | 71 |
| Total sq. ft. ⁽³⁾ | 10,985 | 10,699 | 10,648 | 10,699 |
| Percent leased ⁽⁴⁾ | 94.2% | 94.3% | 94.4% | 94.3% |
| Rental income ⁽⁵⁾ | \$ 127,672 | \$ 124,772 | \$ 123,999 | \$ 123,239 |
| NOI ⁽⁶⁾ | \$ 78,429 | \$ 76,716 | \$ 76,140 | \$ 75,825 |
| Cash Basis NOI ⁽⁶⁾ | \$ 78,335 | \$ 75,073 | \$ 76,161 | \$ 74,182 |
| NOI % margin ⁽⁷⁾ | 61.4% | 61.5% | 61.4% | 61.5% |
| Cash Basis NOI % margin ⁽⁷⁾ | 61.3% | 61.0% | 61.3% | 61.0% |
| NOI % change | 2.2% | - | 0.4% | - |
| Cash Basis NOI % change | 4.3% | - | 2.7% | - |

(1) Based on properties we owned as of June 30, 2016, excluding one property (one building) classified as discontinued operations.

(2) Based on properties we owned as of June 30, 2016 and which we owned continuously since January 1, 2015, excluding one property (one building) classified as discontinued operations.

(3) Subject to changes when space is re-measured or re-configured for tenants.

(4) Percent leased includes (i) space being fitted out for occupancy pursuant to our lease agreements, if any, and (ii) space which is leased, but is not occupied or is being offered for sublease by tenants, if any, as of the measurement date.

(5) We report rental income on a straight line basis over the terms of the respective leases; accordingly, rental income includes non-cash straight line rent adjustments. Rental income also includes expense reimbursements, tax escalations, parking revenues, service income and other fixed and variable charges paid to us by our tenants, as well as the net effect of non-cash amortization of intangible lease assets and liabilities.

(6) See page 19 for the calculation of NOI and Cash Basis NOI and a reconciliation of those amounts to net income (loss) determined in accordance with GAAP and see page 20 for a calculation and reconciliation of same property NOI and same property Cash Basis NOI.

(7) NOI margin is defined as NOI as a percentage of rental income. Cash Basis NOI margin is defined as Cash Basis NOI as a percentage of cash basis rental income. Cash basis rental income excludes non-cash straight line rent adjustments as well as the net effect of non-cash amortization of intangible lease assets and liabilities.

OCCUPANCY AND LEASING SUMMARY ⁽¹⁾

(dollars and sq. ft. in thousands, except per sq. ft. data)

| | As of and for the Three Months Ended | | | | |
|-----------------------------------------------------------------------------------|--------------------------------------|--------------------|------------|-----------|-----------|
| | 6/30/2016 | 3/31/2016 | 12/31/2015 | 9/30/2015 | 6/30/2015 |
| Properties (end of period) | 72 | 72 | 71 | 71 | 71 |
| Total sq. ft. ⁽²⁾ | 10,985 | 10,985 | 10,701 | 10,701 | 10,699 |
| Percentage leased | 94.2% | 94.9% | 94.5% | 93.5% | 94.3% |
| <u>Leasing Activity (sq. ft.):</u> | | | | | |
| Government tenants | 515 | 461 ⁽³⁾ | 191 | 155 | 274 |
| Non-government tenants | 52 | 62 | 14 | 52 | 42 |
| Total | 567 | 523 | 205 | 207 | 316 |
| <u>% Change in GAAP Rent ⁽⁴⁾:</u> | | | | | |
| Government tenants | 4.7% | 14.4% | (13.4%) | 17.4% | 1.7% |
| Non-government tenants | 1.2% | (2.3%) | (7.6%) | 0.6% | 3.2% |
| Total | 4.4% | 12.4% | (13.1%) | 10.7% | 1.9% |
| <u>Leasing Cost and Concession Commitments ⁽⁵⁾:</u> | | | | | |
| Government tenants | \$ 10,593 | \$ 18,420 | \$ 11,158 | \$ 150 | \$ 4,012 |
| Non-government tenants | 543 | 2,049 | 182 | 1,598 | 1,225 |
| Total | \$ 11,136 | \$ 20,469 | \$ 11,340 | \$ 1,748 | \$ 5,237 |
| <u>Leasing Cost and Concession Commitments per Sq. Ft. ⁽⁵⁾:</u> | | | | | |
| Government tenants | \$ 20.57 | \$ 39.99 | \$ 58.45 | \$ 0.96 | \$ 14.63 |
| Non-government tenants | \$ 10.50 | \$ 32.87 | \$ 13.06 | \$ 30.55 | \$ 29.26 |
| Total | \$ 19.65 | \$ 39.14 | \$ 55.36 | \$ 8.43 | \$ 16.57 |
| <u>Weighted Average Lease Term by Sq. Ft. (years):</u> | | | | | |
| Government tenants | 10.7 | 12.0 | 6.5 | 2.4 | 11.7 |
| Non-government tenants | 3.7 | 8.1 | 5.1 | 6.0 | 6.2 |
| Total | 10.1 | 11.6 | 6.4 | 3.3 | 10.9 |
| <u>Leasing Cost and Concession Commitments per Sq. Ft. per Year:</u> | | | | | |
| Government tenants | \$ 1.92 | \$ 3.32 | \$ 9.00 | \$ 0.40 | \$ 1.26 |
| Non-government tenants | \$ 2.85 | \$ 4.04 | \$ 2.56 | \$ 5.10 | \$ 4.74 |
| Total | \$ 1.96 | \$ 3.38 | \$ 8.65 | \$ 2.56 | \$ 1.52 |

(1) Excludes one property (one building) classified as discontinued operations.

(2) Rentable square footage is subject to changes when space is re-measured or re-configured for tenants.

(3) Rentable square footage includes a 25.6 square foot expansion to be constructed at an existing property prior to the commencement of the lease.

(4) Percent difference in prior rents charged for same space or, in the case of space acquired vacant, market rental rates for similar space in the building at the date of acquisition. Rents include estimated recurring expense reimbursements paid to us, exclude lease value amortization and are net of lease concessions.

(5) Includes commitments made for leasing expenditures and concessions, such as tenant improvements, leasing commissions, tenant reimbursements and free rent.

The above leasing summary is based on leases entered into during the periods indicated.



LEASING ANALYSIS BY TENANT TYPE ⁽¹⁾

| Tenant Type | Sq. Ft. Leased As of 3/31/2016 ⁽²⁾⁽³⁾ | % of Sq. Ft. Leased as of 3/31/2016 ⁽²⁾⁽³⁾ | Sq. Ft. During the Three Months Ended 6/30/2016 | | | | Sq. Ft. Leased As of 6/30/2016 ⁽²⁾⁽³⁾ | % of Sq. Ft. Leased as of 6/30/2016 ⁽²⁾⁽³⁾ |
|------------------|--------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------|-------------------------------|---------------------------|--------------------------------------|--------------------------------------------------------|-------------------------------------------------------------|
| | | | Leases Expired | Lease Renewals Executed | New Leases Executed | Net Acquisitions/ Dispositions | | |
| U.S. Government | 6,774,631 | 65.0% | (109,847) | 29,297 | - | - | 6,694,081 | 64.7% |
| State Government | 2,437,609 | 23.4% | (485,583) | 485,583 | - | - | 2,437,609 | 23.6% |
| Other Government | 298,655 | 2.8% | - | - | - | - | 298,655 | 2.9% |
| Non-government | 915,234 | 8.8% | (49,982) | 38,481 | 13,279 | - | 917,012 | 8.8% |
| | <u>10,426,129</u> | <u>100.0%</u> | <u>(645,412)</u> | <u>553,361</u> | <u>13,279</u> | <u>-</u> | <u>10,347,357</u> | <u>100.0%</u> |

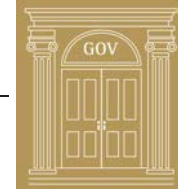
(1) Excludes one property (one building) classified as discontinued operations.

(2) Rentable sq. ft. leased is pursuant to leases existing as of the measurement date and includes (i) space being fitted out for occupancy, if any, and (ii) space which is leased, but is not occupied or is being offered for sublease, if any, as of the measurement date. Sq. ft. measurements are subject to changes when space is re-measured or re-configured for new tenants.

(3) Rentable square footage excludes a 25,579 square foot expansion to be constructed at an existing property prior to the commencement of the lease.

TENANT LIST (1)

As of June 30, 2016



| Tenant / Agency | Rentable Sq. Ft. ⁽²⁾ | % of Total Rentable Sq. Ft. ⁽²⁾ | % of Annualized Rental Income ⁽³⁾ | Tenant | Rentable Sq. Ft. ⁽²⁾ | Rentable Sq. Ft. ⁽²⁾ | Annualized Rental Income ⁽³⁾ |
|--------------------------------------------------|------------------------------------|--------------------------------------------------|----------------------------------------------------|----------------------------------------------------------|------------------------------------|------------------------------------|--------------------------------------------|
| U.S. Government: | | | | State Governments: | | | |
| 1 Internal Revenue Service | 1,041,806 | 9.5% | 8.4% | 1 State of California - nine agency occupants | 699,695 | 6.4% | 7.7% |
| 2 Citizenship and Immigration Services | 448,607 | 4.1% | 8.3% | 2 Commonwealth of Massachusetts - three agency occupants | 307,119 | 2.8% | 3.8% |
| 3 U.S. Government ⁽⁴⁾ | 406,388 | 3.7% | 4.8% | 3 State of Georgia - Department of Transportation | 293,035 | 2.7% | 2.5% |
| 4 Federal Bureau of Investigation | 304,425 | 2.8% | 3.4% | 4 Commonwealth of Virginia - seven agency occupants | 255,241 | 2.3% | 2.2% |
| 5 Department of Justice | 227,201 | 2.1% | 3.1% | 5 State of New Jersey - Department of Treasury | 173,189 | 1.6% | 1.8% |
| 6 Centers for Disease Control ⁽⁵⁾ | 352,876 | 3.2% | 3.0% | 6 State of Oregon - two agency occupants | 199,018 | 1.8% | 1.8% |
| 7 Customs and Border Protection | 243,162 | 2.2% | 2.7% | 7 State of Washington - Social and Health Services | 111,908 | 1.0% | 1.0% |
| 8 Bureau of Land Management | 304,831 | 2.8% | 2.5% | 8 State of Arizona - Northern Arizona University | 66,743 | 0.6% | 0.6% |
| 9 Department of Veterans Affairs | 280,699 | 2.6% | 2.4% | 9 State of Maryland - two agency occupants | 84,674 | 0.8% | 0.5% |
| 10 Defense Intelligence Agency | 266,000 | 2.4% | 2.1% | 10 State of South Carolina - four agency occupants | 121,561 | 1.1% | 0.5% |
| 11 Immigration and Customs Enforcement | 128,725 | 1.2% | 1.9% | 11 State of Minnesota - Minnesota State Lottery | 61,426 | 0.6% | 0.4% |
| 12 Social Security Administration | 189,645 | 1.7% | 1.8% | 12 State of New York - Department of Agriculture | 64,000 | 0.6% | 0.4% |
| 13 Bureau of Reclamation | 212,996 | 1.9% | 1.8% | Subtotal State Government | 2,437,609 | 22.2% | 23.3% |
| 14 National Park Service | 166,745 | 1.5% | 1.8% | Other Government Tenants | 298,655 | 2.7% | 5.3% |
| 15 U.S. Courts | 115,366 | 1.1% | 1.7% | 148 Non-Government Tenants | 917,012 | 8.4% | 7.3% |
| 16 Department of Health and Human Services | 128,645 | 1.2% | 1.3% | Subtotal Leased Rentable Square Feet | 10,347,357 | 94.2% | 100.0% |
| 17 National Archives and Record Administration | 352,064 | 3.2% | 1.2% | Available for Lease | 638,010 | 5.8% | -- |
| 18 Drug Enforcement Agency | 93,177 | 0.8% | 1.2% | Total Rentable Square Feet | 10,985,367 | 100.0% | 100.0% |
| 19 Department of Energy | 140,152 | 1.3% | 1.1% | | | | |
| 20 Defense Nuclear Facilities Board | 60,133 | 0.5% | 1.1% | | | | |
| 21 Department of State | 89,058 | 0.8% | 1.0% | | | | |
| 22 U.S. Postal Service | 321,800 | 2.9% | 0.9% | | | | |
| 23 Occupational Health and Safety Administration | 57,770 | 0.5% | 0.8% | | | | |
| 24 Bureau of the Fiscal Service | 98,073 | 0.9% | 0.7% | | | | |
| 25 Centers for Medicare and Medicaid Services | 78,361 | 0.7% | 0.7% | | | | |
| 26 Military Entrance Processing Station | 56,931 | 0.5% | 0.7% | | | | |
| 27 Department of Housing and Urban Development | 82,497 | 0.8% | 0.6% | | | | |
| 28 Environmental Protection Agency | 43,232 | 0.4% | 0.6% | | | | |
| 29 Department of the Army | 228,108 | 2.1% | 0.6% | | | | |
| 30 General Services Administration | 20,535 | 0.2% | 0.4% | | | | |
| 31 Bureau of Prisons | 51,138 | 0.5% | 0.4% | | | | |
| 32 Food and Drug Administration | 33,398 | 0.3% | 0.4% | | | | |
| 33 Department of Defense | 31,030 | 0.3% | 0.3% | | | | |
| 34 Equal Employment Opportunity Commission | 19,409 | 0.2% | 0.1% | | | | |
| 35 Small Business Administration | 8,575 | 0.1% | 0.1% | | | | |
| 36 Department of Labor | 6,459 | 0.1% | 0.0% | | | | |
| 37 U.S. Coast Guard | 4,064 | 0.0% | 0.0% | | | | |
| Subtotal U.S. Government | 6,694,081 | 60.9% | 64.1% | | | | |

(1) Amounts exclude one property (one building) classified as discontinued operations.

(2) Rentable sq. ft. is pursuant to leases existing as of June 30, 2016, and includes (i) space being fitted out for occupancy, if any, and (ii) space which is leased but is not occupied or is being offered for sublease, if any. Rentable sq. ft. measurements are subject to changes when space is re-measured or re-configured for new tenants.

(3) Percentage of annualized rental income is calculated using annualized contractual base rents from our tenants pursuant to our lease agreements as of June 30, 2016, plus straight line rent adjustments and estimated recurring expense reimbursements to be paid to us, and excluding lease value amortization.

(4) Agency occupant cannot be disclosed.

(5) Rentable square footage excludes a 25,579 square foot expansion to be constructed at an existing property prior to the commencement of the lease.

LEASE EXPIRATION SCHEDULE ⁽¹⁾

As of June 30, 2016
(dollars in thousands)

| Year ⁽²⁾ | Number of Tenants Expiring | Expiration of leased square feet ⁽³⁾ | % of Total | Cumulative % of Total | Annualized Rental Income Expiring ⁽⁴⁾ | % of Annualized Total | Cumulative % of Total |
|-----------------------------------------------------|----------------------------------|-------------------------------------------------------|---------------|--------------------------|--------------------------------------------------------|-----------------------------|--------------------------|
| 2016 | 29 | 546,732 | 5.3% | 5.3% | \$ 22,733 | 8.9% | 8.9% |
| 2017 | 40 | 824,303 | 8.0% | 13.3% | 17,260 | 6.8% | 15.7% |
| 2018 | 40 | 1,069,486 | 10.3% | 23.6% | 29,547 | 11.6% | 27.3% |
| 2019 | 39 | 1,648,725 | 15.9% | 39.5% | 43,167 | 17.0% | 44.3% |
| 2020 | 31 | 1,304,176 | 12.6% | 52.1% | 30,941 | 12.2% | 56.5% |
| 2021 | 33 | 1,005,190 | 9.7% | 61.8% | 19,682 | 7.7% | 64.2% |
| 2022 | 12 | 694,233 | 6.7% | 68.5% | 14,954 | 5.9% | 70.1% |
| 2023 | 14 | 536,625 | 5.2% | 73.7% | 12,340 | 4.9% | 75.0% |
| 2024 | 11 | 919,454 | 8.9% | 82.6% | 20,923 | 8.2% | 83.2% |
| 2025 and thereafter | 29 | 1,798,433 ⁽⁵⁾ | 17.4% | 100.0% | 42,754 | 16.8% | 100.0% |
| Total | <u>278</u> | <u>10,347,357</u> | <u>100.0%</u> | | <u>\$ 254,301</u> | <u>100.0%</u> | |
| Weighted average remaining lease term (in years) | | <u>5.2</u> | | | <u>5.0</u> | | |

(1) Excludes one property (one building) classified as discontinued operations.

(2) The year of lease expiration is pursuant to current contract terms. Some of our government tenants have the right to vacate their space before the stated expirations of their leases. In addition, certain of our government tenants have the right to terminate their leases if their respective legislature or other funding authority does not appropriate rent in their respective annual budgets.

(3) Sq. ft. is pursuant to leases existing as of June 30, 2016, and includes (i) space being fitted out for occupancy, if any, and (ii) space which is leased, but is not occupied or is being offered for sublease, if any. Sq. ft. measurements are subject to changes when space is re-measured or re-configured for new tenants.

(4) Annualized rental income is calculated using the annualized contractual base rents from our tenants pursuant to our lease agreements as of June 30, 2016, plus straight line rent adjustments and estimated recurring expense reimbursements to be paid to us, and excludes lease value amortization.

(5) Square footage excludes a 25,579 square foot expansion to be constructed at an existing property prior to the commencement of the lease.

EXHIBIT



South Vinnell Way, Boise, ID

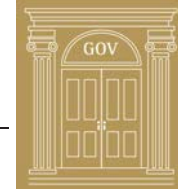
Square Feet: 180,952

Agency Occupant: National Resource Center

PROPERTY DETAIL ⁽¹⁾

(sorted by location)

EXHIBIT A



As of June 30, 2016
(dollars in thousands)

| | | | | | | | | | | | Weighted Average Year Built or Substantially Renovated ⁽⁴⁾ |
|-------------------|-----------------------------|-----------------------|---------------------|------------------------|------------------------|----------|-----------------------------------------------|---------------------------------|-------------------------------|---------------------------------|-----------------------------------------------------------------------------------|
| Property Location | | | No. of Buildings | Primary Tenant Type | Rentable Sq. Ft. | % Leased | Annualized Rental Income ⁽²⁾ | Undepreciated Carrying Value | Depreciated Carrying Value | Date Acquired ⁽³⁾ | |
| 1 | 131 Clayton Street | Montgomery, AL | 1 | Federal | 57,815 | 100.0% | \$ 1,436 | \$ 10,020 | \$ 8,883 | 6/22/2011 | 2007 |
| 2 | 4344 Carmichael Road | Montgomery, AL | 1 | Federal | 49,370 | 100.0% | 1,514 | 13,032 | 12,304 | 12/17/2013 | 2009 |
| 3 | 15451 North 28th Avenue | Phoenix, AZ | 1 | State | 66,743 | 100.0% | 1,416 | 9,379 | 9,038 | 9/10/2014 | 2013 |
| 4 | 711 14th Avenue | Safford, AZ | 1 | Federal | 36,139 | 94.4% | 912 | 12,433 | 10,663 | 6/16/2010 | 1992 |
| 5 | 5045 East Butler Street | Fresno, CA | 1 | Federal | 531,976 | 100.0% | 8,384 | 68,452 | 47,249 | 8/29/2002 | 1971 |
| 6 | 10949 N. Mather Boulevard | Rancho Cordova, CA | 1 | State | 93,807 | 100.0% | 2,609 | 17,542 | 16,414 | 10/30/2013 | 2012 |
| 7 | 9800 Goethe Road | Sacramento, CA | 1 | State | 110,500 | 100.0% | 2,102 | 15,304 | 12,775 | 12/23/2009 | 1993 |
| 8 | 9815 Goethe Road | Sacramento, CA | 1 | State | 87,863 | 100.0% | 1,953 | 12,438 | 11,137 | 9/14/2011 | 1992 |
| 9 | Capitol Place | Sacramento, CA | 1 | State | 163,840 | 94.4% | 4,772 | 42,236 | 35,970 | 12/17/2009 | 1988 |
| 10 | 801 K Street | Sacramento, CA | 1 | State | 337,811 | 88.3% | 9,508 | 67,152 | 66,508 | 1/29/2016 | 2002 |
| 11 | 4181 Ruffin Road | San Diego, CA | 1 | Federal | 141,634 | 83.0% | 3,018 | 19,535 | 17,074 | 7/16/2010 | 1981 |
| 12 | 4560 Viewridge Road | San Diego, CA | 1 | Federal | 93,177 | 100.0% | 3,119 | 23,435 | 14,421 | 3/31/1997 | 1996 |
| 13 | Sky Park Centre | San Diego, CA | 1 | Federal | 43,918 | 70.7% | 856 | 7,824 | 5,833 | 6/24/2002 | 1986 |
| 14 | Turning Basin Business Park | Stockton, CA | 1 | Federal | 22,012 | 100.0% | 972 | 6,033 | 5,497 | 7/20/2012 | 2012 |
| 15 | 16194 West 45th Street | Golden, CO | 1 | Federal | 43,232 | 100.0% | 1,579 | 7,102 | 4,079 | 3/31/1997 | 1997 |
| 16 | 12795 West Alameda Parkway | Lakewood, CO | 1 | Federal | 166,745 | 100.0% | 4,489 | 27,462 | 23,473 | 1/15/2010 | 1988 |
| 17 | Corporate Center | Lakewood, CO | 3 | Federal | 212,996 | 100.0% | 4,538 | 34,273 | 24,062 | 10/11/2002 | 1996 |
| 18 | 20 Massachusetts Avenue | Washington, DC | 1 | Federal | 340,119 | 100.0% | 17,536 | 84,481 | 54,015 | 3/31/1997 | 1996 |
| 19 | 625 Indiana Avenue | Washington, DC | 1 | Federal | 160,897 | 94.3% | 7,765 | 57,313 | 52,634 | 8/17/2010 | 1989 |
| 20 | 7850 Southwest 6th Court | Plantation, FL | 1 | Federal | 135,819 | 100.0% | 4,870 | 35,775 | 31,755 | 5/12/2011 | 1999 |
| 21 | 8900 Grand Oak Circle | Tampa, FL | 1 | Federal | 67,916 | 100.0% | 1,872 | 13,042 | 11,328 | 10/15/2010 | 2008 |
| 22 | 181 Spring Street NW | Atlanta, GA | 1 | Federal | 90,688 | 100.0% | 3,713 | 24,064 | 22,104 | 7/25/2012 | 2007 |
| 23 | Corporate Square | Atlanta, GA | 5 | Federal | 352,876 ⁽⁵⁾ | 100.0% | 7,742 | 40,127 | 30,282 | 7/16/2004 | 1967 |
| 24 | Executive Park | Atlanta, GA | 1 | Non-Govt | 125,788 | 100.0% | 1,608 | 17,216 | 13,063 | 7/16/2004 | 1972 |
| 25 | One Georgia Center | Atlanta, GA | 1 | State | 375,952 | 89.6% | 7,198 | 38,507 | 35,122 | 9/30/2011 | 2008 |
| 26 | 4712 Southpark Boulevard | Ellenwood, GA | 1 | Federal | 352,064 | 100.0% | 3,127 | 21,032 | 19,110 | 7/25/2012 | 2005 |
| 27 | 220 E. Bryan Street | Savannah, GA | 1 | Vacant | 35,228 | 0.0% | - | 3,346 | 3,071 | 7/16/2010 | 1990 |
| 28 | South Vinnell Way | Boise, ID | 3 | Federal | 180,952 | 100.0% | 4,647 | 33,101 | 30,245 | 9/11/2012 | 1997 |
| 29 | 2020 S. Arlington Heights | Arlington Heights, IL | 1 | Federal | 57,770 | 100.0% | 2,079 | 15,536 | 13,154 | 12/29/2009 | 1988 |
| 30 | Intech Park | Indianapolis, IN | 3 | Federal | 433,924 | 85.9% | 9,385 | 75,788 | 67,166 | 10/14/2011 | 2003 |
| 31 | 400 State Street | Kansas City, KS | 1 | Federal | 170,817 | 90.8% | 2,884 | 13,469 | 11,750 | 6/16/2010 | 1971 |
| 32 | 7125 Industrial Road | Florence, KY | 1 | Federal | 167,939 | 100.0% | 2,533 | 13,431 | 12,404 | 12/31/2012 | 2002 |
| 33 | 251 Causeway Street | Boston, MA | 1 | State | 132,876 | 100.0% | 4,020 | 23,638 | 21,023 | 8/17/2010 | 1988 |
| 34 | 75 Pleasant Street | Malden, MA | 1 | State | 125,521 | 100.0% | 4,964 | 32,268 | 27,503 | 5/24/2010 | 2008 |
| 35 | 25 Newport Avenue | Quincy, MA | 1 | State | 92,549 | 100.0% | 2,100 | 12,549 | 11,246 | 2/16/2011 | 2009 |
| 36 | One Montvale Avenue | Stoneham, MA | 1 | Federal | 97,777 | 94.1% | 2,328 | 13,949 | 12,184 | 6/16/2010 | 1987 |
| 37 | 4201 Patterson Avenue | Baltimore, MD | 1 | State | 84,674 | 100.0% | 1,298 | 12,343 | 8,443 | 10/15/1998 | 1989 |
| 38 | 20400 Century Boulevard | Germanstown, MD | 1 | Vacant | 80,550 | 0.0% | - | 12,738 | 7,843 | 3/31/1997 | 1995 |
| 39 | 3300 75th Avenue | Landover, MD | 1 | Federal | 266,000 | 100.0% | 5,256 | 41,021 | 35,184 | 2/26/2010 | 2004 |
| 40 | 1401 Rockville Pike | Rockville, MD | 1 | Other Government | 190,044 | 87.7% | 4,353 | 45,496 | 31,116 | 2/2/1998 | 1986 |

See notes on page 34.

PROPERTY DETAIL ⁽¹⁾

(sorted by location)

EXHIBIT A



As of June 30, 2016
(dollars in thousands)

| | | | | | | | | | | | Weighted Average Year Built or Substantially Renovated ⁽⁴⁾ |
|-------------------|-----------------------------------|--------------------|---------------------|------------------------|---------------------|----------|-----------------------------------------------|---------------------------------|-------------------------------|---------------------------------|-----------------------------------------------------------------------------------|
| Property Location | | | No. of Buildings | Primary Tenant Type | Rentable Sq. Ft. | % Leased | Annualized Rental Income ⁽²⁾ | Undepreciated Carrying Value | Depreciated Carrying Value | Date Acquired ⁽³⁾ | |
| 41 | 2115 East Jefferson Street | Rockville, MD | 1 | Federal | 128,645 | 100.0% | \$ 3,331 | \$ 14,708 | \$ 13,913 | 8/27/2013 | 2003 |
| 42 | Rutherford Business Park | Windsor Mill, MD | 1 | Federal | 80,398 | 100.0% | 1,871 | 11,825 | 10,907 | 11/16/2012 | 2011 |
| 43 | Meadows Business Park | Woodlawn, MD | 2 | Federal | 182,561 | 84.3% | 3,202 | 26,067 | 23,130 | 2/15/2011 | 1996 |
| 44 | 11411 E. Jefferson Avenue | Detroit, MI | 1 | Federal | 55,966 | 100.0% | 2,725 | 18,644 | 15,869 | 4/23/2010 | 2009 |
| 45 | 330 South Second Avenue | Minneapolis, MN | 1 | Non-Govt | 193,556 | 77.9% | 2,855 | 31,655 | 27,727 | 7/16/2010 | 2013 |
| 46 | Rosedale Corporate Plaza | Roseville, MN | 1 | State | 61,426 | 100.0% | 1,126 | 8,182 | 5,411 | 12/1/1999 | 1987 |
| 47 | 1300 Summit Street | Kansas City, MO | 1 | Federal | 86,739 | 100.0% | 2,068 | 15,065 | 13,917 | 9/27/2012 | 1998 |
| 48 | 4241-4300 NE 34th Street | Kansas City, MO | 1 | Federal | 98,073 | 100.0% | 1,902 | 10,381 | 6,836 | 3/31/1997 | 1995 |
| 49 | 1220 Echelon Parkway | Jackson, MS | 1 | Federal | 109,819 | 100.0% | 3,784 | 25,946 | 23,446 | 7/25/2012 | 2009 |
| 50 | 10-12 Celina Avenue | Nashua, NH | 1 | Federal | 321,800 | 100.0% | 2,310 | 17,423 | 14,968 | 8/31/2009 | 1997 |
| 51 | 50 West State Street | Trenton, NJ | 1 | State | 266,995 | 85.8% | 6,178 | 44,576 | 39,168 | 12/30/2010 | 1989 |
| 52 | 435 Montano Boulevard | Albuquerque, NM | 1 | Vacant | 29,045 | 0.0% | - | 2,418 | 2,169 | 7/16/2010 | 1986 |
| 53 | 138 Delaware Avenue | Buffalo, NY | 1 | Federal | 121,711 | 84.9% | 2,552 | 28,292 | 18,362 | 3/31/1997 | 2013 |
| 54 | Airline Corporate Center | Colonie, NY | 1 | State | 64,000 | 100.0% | 1,066 | 7,190 | 6,550 | 6/22/2012 | 2004 |
| 55 | 5000 Corporate Court | Holtsville, NY | 1 | Federal | 264,482 | 84.9% | 5,889 | 26,251 | 23,958 | 8/31/2011 | 2000 |
| 56 | 305 East 46th Street | New York, NY | 1 | Other Government | 187,060 | 100.0% | 11,031 | 106,267 | 97,704 | 5/27/2011 | 2008 |
| 57 | 4600 25th Avenue | Salem, OR | 1 | State | 233,358 | 97.8% | 5,131 | 28,665 | 25,803 | 12/20/2011 | 2007 |
| 58 | Synergy Business Park | Columbia, SC | 3 | State | 180,703 | 91.2% | 2,123 | 17,295 | 14,500 | 5/10/2006-9/17/2010 | 1984 |
| 59 | One Memphis Place | Memphis, TN | 1 | Federal | 204,694 | 77.6% | 3,085 | 9,053 | 8,021 | 9/17/2010 | 1985 |
| 60 | 701 Clay Road | Waco, TX | 1 | Federal | 137,782 | 100.0% | 2,192 | 13,499 | 8,984 | 12/23/1997 | 1997 |
| 61 | Enterchange at Meadowville | Chester, VA | 1 | Federal | 228,108 | 100.0% | 1,517 | 11,327 | 10,638 | 8/28/2013 | 2011 |
| 62 | 3920 Pender Drive | Fairfax, VA | 1 | Federal | 83,130 | 100.0% | 2,440 | 15,827 | 15,102 | 3/21/2014 | 2011 |
| 63 | Pender Business Park | Fairfax, VA | 4 | State | 171,061 | 96.2% | 4,063 | 24,104 | 22,625 | 11/4/2013 | 2000 |
| 64 | 1759 & 1760 Business Center Drive | Reston, VA | 2 | Federal | 406,388 | 100.0% | 12,289 | 89,629 | 85,510 | 5/28/2014 | 1996 |
| 65 | 9960 Mayland Drive | Richmond, VA | 1 | State | 173,932 | 94.4% | 3,338 | 19,175 | 18,329 | 5/20/2014 | 1994 |
| 66 | Aquia Commerce Center | Stafford, VA | 2 | Federal | 64,656 | 100.0% | 1,872 | 10,010 | 9,048 | 6/22/2011 | 1998 |
| 67 | 65 Bowdoin Street | S. Burlington, VT | 1 | Federal | 26,609 | 100.0% | 1,098 | 9,236 | 7,905 | 4/9/2010 | 2009 |
| 68 | 840 North Broadway | Everett, WA | 2 | State | 111,908 | 100.0% | 2,665 | 19,947 | 18,295 | 6/28/2012 | 1988 |
| 69 | Stevens Center | Richland, WA | 2 | Federal | 140,152 | 100.0% | 2,813 | 22,113 | 13,706 | 3/31/1997 | 1995 |
| 70 | 11050 West Liberty Drive | Milwaukee, WI | 1 | Federal | 29,297 | 100.0% | 795 | 5,572 | 4,986 | 6/9/2011 | 2006 |
| 71 | 2029 Stonewall Jackson Drive | Falling Waters, WV | 1 | Federal | 40,348 | 100.0% | 778 | 5,056 | 3,103 | 3/31/1997 | 1993 |
| 72 | 5353 Yellowstone Road | Cheyenne, WY | 1 | Federal | 122,647 | 100.0% | 1,756 | 10,663 | 6,554 | 3/31/1997 | 1995 |
| | | | 92 | | 10,985,367 | 94.2% | \$ 254,301 | \$ 1,779,937 | \$ 1,504,261 | | |

(1) Excludes one property (one building) classified as discontinued operations.

(2) Annualized rental income is calculated using annualized contractual base rents from our tenants pursuant to our lease agreements as of June 30, 2016, plus straight line rent adjustments and estimated recurring expense reimbursements to be paid to us, and excluding lease value amortization.

(3) Date acquired is the date we acquired the property or the date our former parent entity acquired the property for those properties that our former parent entity contributed to us in June 2009 as part of our initial public offering.

(4) Weighted based on rentable square feet.

(5) Rentable square footage excludes a 25,579 square foot expansion to be constructed at an existing property prior to the commencement of the lease.