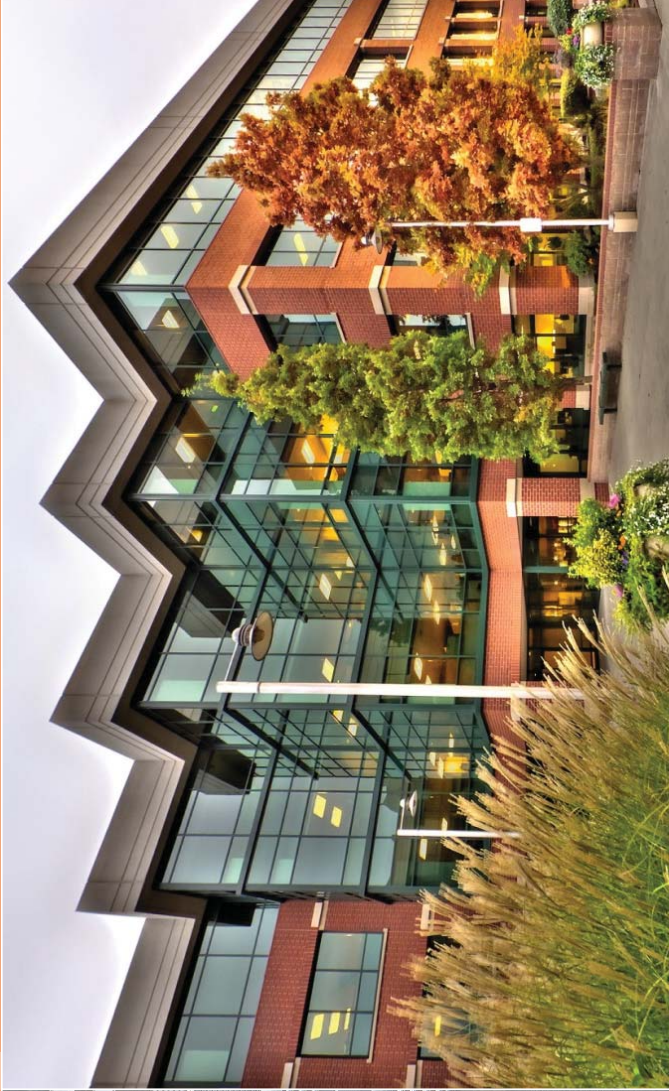


# Select Income REIT Second Quarter 2016 *Supplemental Operating and Financial Data*

**SIR**  
Nasdaq Listed

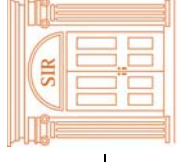


351, 401, 501 Elliott Ave West, Seattle, WA  
Square Feet: 299,643  
F5 Networks (Nasdaq: FFIN) Corporate Headquarters



All amounts in this report are unaudited.

## TABLE OF CONTENTS




---

**PAGE/EXHIBIT**
**CORPORATE INFORMATION**

|                      |   |
|----------------------|---|
| Company Profile      | 7 |
| Investor Information | 8 |
| Research Coverage    | 9 |

**FINANCIALS**

|   |    |
|---|----|
| Key Financial Data  | 11 |
| Condensed Consolidated Balance Sheets   | 12 |
| Condensed Consolidated Statements of Income   | 13 |
| Condensed Consolidated Statements of Cash Flows   | 14 |
| Debt Summary  | 15 |
| Debt Maturity Schedule  | 16 |
| Leverage Ratios, Coverage Ratios and Public Debt Covenants  | 17 |
| Capital Expenditures Summary  | 18 |
| Property Acquisitions and Dispositions Information Since 1/1/16                                   | 19 |
| Calculation of Property Net Operating Income (NOI) and Cash Basis NOI                             | 20 |
| Reconciliation of NOI to Same Property NOI and Calculation of Same Property Cash Basis NOI        | 21 |
| Calculation of EBITDA and Adjusted EBITDA   | 22 |
| Calculation of Funds from Operations (FFO) Attributed to SIR and Normalized FFO Attributed to SIR | 23 |
| Definitions of Certain Non-GAAP Financial Measures  | 24 |

**PORTFOLIO INFORMATION**

|  |    |
|--|----|
| Portfolio Summary by Property Type                                 | 26 |
| Same Property Results of Operations                                | 27 |
| Leasing Summary  | 29 |
| Occupancy and Leasing Analysis by Property Type                    | 30 |
| Tenant Diversity and Credit Characteristics                        | 31 |
| Tenants Representing 1% or More of Total Annualized Rental Revenue | 32 |
| Three Year Lease Expiration Schedule by Property Type              | 33 |
| Portfolio Lease Expiration Schedule                                | 34 |
| Hawaii Land Rent Reset Summary                                     | 35 |

**EXHIBIT**

|                 |   |
|-----------------|---|
| Property Detail | A |
|-----------------|---|

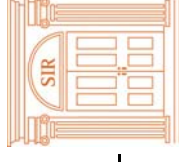
## WARNING CONCERNING FORWARD LOOKING STATEMENTS

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:

- THE LIKELIHOOD THAT OUR TENANTS WILL PAY RENT, EXTEND OR RENEW THEIR LEASES, ENTER INTO NEW LEASES OR BE AFFECTED BY CYCLICAL ECONOMIC CONDITIONS,
- OUR ACQUISITIONS OF PROPERTIES,
- OUR SALES OF PROPERTIES,
- OUR ABILITY TO COMPETE FOR ACQUISITIONS AND TENANCIES EFFECTIVELY,
- THE LIKELIHOOD THAT OUR RENTS MAY INCREASE WHEN RENTS ARE RESET AT OUR LEASED LANDS IN HAWAII,
- OUR ABILITY TO PAY DISTRIBUTIONS TO OUR SHAREHOLDERS AND THE AMOUNT OF SUCH DISTRIBUTIONS,
- THE FUTURE AVAILABILITY OF BORROWINGS UNDER OUR REVOLVING CREDIT FACILITY,
- OUR POLICIES AND PLANS REGARDING INVESTMENTS, FINANCINGS AND DISPOSITIONS,
- 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 USE OF EQUITY AND DEBT 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,
- OUR QUALIFICATION FOR TAXATION AS A REAL ESTATE INVESTMENT TRUST, OR REIT,
- THE CREDIT QUALITIES OF OUR TENANTS, 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, ATTRIBUTED TO SIR, NORMALIZED FFO ATTRIBUTED TO SIR, 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 IN THOSE MARKETS IN WHICH OUR PROPERTIES ARE LOCATED,
- COMPLIANCE WITH, AND CHANGES TO, FEDERAL, STATE AND LOCAL LAWS AND REGULATIONS, ACCOUNTING RULES, TAX LAWS AND SIMILAR MATTERS,
- 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,
- ACTUAL AND POTENTIAL CONFLICTS OF INTEREST WITH OUR RELATED PARTIES, INCLUDING OUR MANAGING TRUSTEES, THE RMR GROUP LLC, OR RMR LLC, RMR INC., GOVERNMENT PROPERTIES INCOME TRUST, OR GOV, SENIOR HOUSING PROPERTIES TRUST, OR SNH, AIC, AND OTHERS AFFILIATED WITH THEM, AND
- ACTS OF TERRORISM, OUTBREAKS OF SO CALLED PANDEMICS OR OTHER MANMADE OR NATURAL DISASTERS BEYOND OUR CONTROL.



## WARNING CONCERNING FORWARD LOOKING STATEMENTS (CONTINUED)

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 AND THE CAPITAL COSTS WE INCUR TO LEASE OUR PROPERTIES. 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 OUR DISTRIBUTIONS DEPENDS IN LARGE PART UPON OUR ABILITY TO BUY PROPERTIES AND LEASE THEM FOR RENTS, LESS PROPERTY OPERATING COSTS, 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.
- 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.
- RENTS THAT WE CAN CHARGE AT OUR PROPERTIES MAY DECLINE BECAUSE OF CHANGING MARKET CONDITIONS OR OTHERWISE.
- A SIGNIFICANT NUMBER OF OUR HAWAII PROPERTIES ARE LANDS LEASED FOR RENTS THAT ARE PERIODICALLY RESET BASED ON THEN CURRENT FAIR MARKET VALUES. REVENUES FROM OUR PROPERTIES IN HAWAII HAVE GENERALLY INCREASED DURING OUR OWNERSHIP AS THE LEASES FOR THOSE PROPERTIES HAVE BEEN RESET OR RENEWED. THERE CAN BE NO ASSURANCE THAT REVENUES FROM OUR HAWAII PROPERTIES WILL INCREASE AS A RESULT OF FUTURE RENT RESETS OR LEASE RENEWALS, AND FUTURE RENTS FROM THESE PROPERTIES COULD DECREASE OR NOT INCREASE TO THE EXTENT THEY HAVE IN THE PAST.
- WE MAY NOT SUCCEED IN FURTHER DIVERSIFYING OUR TENANTS AND ANY DIVERSIFICATION WE MAY ACHIEVE MAY NOT MITIGATE OUR PORTFOLIO RISKS OR IMPROVE THE SECURITY OF OUR REVENUES OR OUR OPERATING PERFORMANCE.
- OUR POSSIBLE REDEVELOPMENT OF CERTAIN OF OUR HAWAII PROPERTIES MAY NOT BE REALIZED OR BE SUCCESSFUL.
- THE UNEMPLOYMENT RATE OR ECONOMIC CONDITIONS IN THE UNITED STATES MAY BECOME WORSE IN THE FUTURE. SUCH CIRCUMSTANCES OR OTHER CONDITIONS MAY REDUCE DEMAND FOR LEASING OFFICE AND INDUSTRIAL SPACE. IF THE DEMAND FOR LEASING OFFICE AND INDUSTRIAL SPACE IS REDUCED, WE MAY BE UNABLE TO RENEW LEASES WITH OUR TENANTS AS LEASES EXPIRE OR ENTER INTO NEW LEASES AT RENTAL RATES AS HIGH AS EXPIRING RATES, AND OUR FINANCIAL RESULTS MAY DECLINE.
- OUR BELIEF THAT THERE IS A LIKELIHOOD THAT TENANTS MAY RENEW OR EXTEND OUR LEASES WHEN THEY EXPIRE WHENEVER THEY HAVE MADE SIGNIFICANT INVESTMENTS IN THE LEASED PROPERTIES, OR BECAUSE THOSE PROPERTIES MAY BE OF STRATEGIC IMPORTANCE TO THEM, MAY NOT BE REALIZED.
- 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.
- WE MAY INCUR SIGNIFICANT COSTS TO PREPARE A PROPERTY FOR A TENANT, PARTICULARLY FOR SINGLE TENANT PROPERTIES.
- CONTINUED AVAILABILITY OF BORROWINGS UNDER OUR REVOLVING CREDIT FACILITY IS SUBJECT TO OUR SATISFYING CERTAIN FINANCIAL COVENANTS AND OTHER CUSTOMARY CREDIT FACILITY CONDITIONS THAT WE MAY BE UNABLE TO SATISFY.
- ACTUAL COSTS UNDER OUR REVOLVING CREDIT FACILITY OR 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 LOAN MAY BE INCREASED TO UP TO \$2.2 BILLION ON A COMBINED BASIS IN CERTAIN CIRCUMSTANCES. HOWEVER, INCREASING THE MAXIMUM BORROWING AVAILABILITY UNDER OUR REVOLVING CREDIT FACILITY AND TERM LOAN IS SUBJECT TO OUR OBTAINING ADDITIONAL COMMITMENTS FROM LENDERS, WHICH MAY NOT OCCUR.



## WARNING CONCERNING FORWARD LOOKING STATEMENTS (CONTINUED)

- 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.
  - WE RECEIVED AN ASSESSMENT FROM THE STATE OF WASHINGTON FOR REAL ESTATE EXCISE TAX, INTEREST AND PENALTIES OF \$2.8 MILLION ON CERTAIN PROPERTIES WE ACQUIRED IN CONNECTION WITH OUR ACQUISITION OF COLE CORPORATE INCOME TRUST, INC. IN JANUARY 2015. ALTHOUGH WE BELIEVE WE ARE EXEMPT FROM THIS TAX AND ARE DISPUTING THIS ASSESSMENT, WE MAY NOT SUCCEED IN HAVING ALL OR ANY PART OF THIS ASSESSMENT NULLIFIED.
  - 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., GOV, SNH, 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, AND
  - THE PREMIUMS USED TO DETERMINE THE INTEREST RATE PAYABLE ON OUR REVOLVING CREDIT FACILITY AND TERM LOAN 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.
- THESE RESULTS COULD OCCUR DUE TO MANY DIFFERENT CIRCUMSTANCES, SOME OF WHICH ARE BEYOND OUR CONTROL, SUCH AS ACTS OF TERRORISM, NATURAL DISASTERS, CHANGES IN OUR TENANTS' FINANCIAL CONDITIONS, THE MARKET DEMAND FOR LEASED SPACE 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](http://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.



# CORPORATE INFORMATION

19100 Ridgewood Parkway, San Antonio, TX  
Square Feet: 618,017  
Tesoro Corporation (NYSE: TSO) Corporate Headquarters



## COMPANY PROFILE

### The Company:

Select Income REIT, or SIR, we, our or us, is a real estate investment trust, or REIT, which owns properties that are primarily net leased to single tenants. As of June 30, 2016, we owned 119 properties (360 buildings, leaseable land parcels and easements) with approximately 44.7 million rentable square feet located in 35 states, including 11 properties (229 buildings, leaseable land parcels and easements) with approximately 17.8 million square feet which are primarily leaseable industrial and commercial lands located in Hawaii. We have been investment grade rated since 2014, and we are included in the Russell 2000® Index and the MSCI US REIT Index.

### Management:

SIR 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 owned 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 SIR, RMR also manages Government Properties Income Trust, or GOV, a publicly traded REIT that primarily owns office properties majority leased to the U.S. government and state governments and that owned 27.9% of our outstanding common shares as of June 30, 2016. Hospitality Properties Trust, or HPT, a publicly traded REIT that owns hotels and travel centers, and Senior Housing Properties Trust, or SNH, a publicly traded REIT that primarily owns healthcare, senior living and medical office buildings. RMR also 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, 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 SIR because of RMR's depth of management and experience in the real estate industry. We also believe RMR provides management services to SIR at costs that are lower than we would have to pay for similar quality services.

(1) See pages 20 - 24 for the calculations of NOI, Cash Basis NOI, FFO attributed to SIR and Normalized FFO attributed to SIR and a reconciliation of those amounts to or from net income or net income attributed to SIR, as applicable, determined in accordance with U.S. generally accepted accounting principles, or GAAP.

### Corporate Headquarters:

Two Newton Place  
255 Washington Street, Suite 300  
Newton, MA 02458-1634  
(t) (617) 796-8303  
(f) (617) 796-8335

### Stock Exchange Listing:

Nasdaq

### Trading Symbol:

Common Shares: SIR

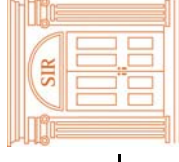
### Issuer Ratings:

Moody's: Baa2  
Standard & Poor's: BBB-

### Portfolio Data (as of 6/30/2016): (dollars and sq. ft. in 000s)

|   |            |
|---|------------|
| Total properties  | 119        |
| Total sq. ft.   | 44,706     |
| Percent leased  | 96.8%      |
| Q2 2016 total revenue                                   | \$ 114,904 |
| Q2 2016 net income attributed to SIR                    | \$ 30,752  |
| Q2 2016 Cash Basis NOI <sup>(1)</sup>                   | \$ 84,846  |
| Q2 2016 Normalized FFO attributed to SIR <sup>(1)</sup> | \$ 64,157  |





## INVESTOR INFORMATION

### Board of Trustees

|   |  |  |
|---|--|--|
| Donna D. Fraiche<br>Independent Trustee | William A. Lamkin<br>Independent Trustee | Jeffrey P. Somers<br>Independent Trustee |
| Adam D. Portnoy<br>Managing Trustee     | Barry M. Portnoy<br>Managing Trustee     |  |

### Senior Management

|  |  |
|--|--|
| David M. Blackman<br>President and Chief Operating Officer | John C. Popeo<br>Chief Financial Officer and Treasurer |
|--|--|

### Contact Information

#### Investor Relations

Select Income REIT  
Two Newton Place  
255 Washington Street, Suite 300  
Newton, MA 02458-1634  
(t) (617) 796-8303  
(f) (617) 796-8335  
(e-mail) [info@sirreit.com](mailto:info@sirreit.com)

#### Inquiries

Financial inquiries should be directed to John C. Popeo,  
Chief Financial Officer and Treasurer, at (617) 796-8303  
or [jpopeo@sirreit.com](mailto:jpopeo@sirreit.com).

Investor and media inquiries should be directed to  
Christopher Ranjitkar, Director, Investor Relations,  
at (617) 796-8320 or [cranjitkar@sirreit.com](mailto:cranjitkar@sirreit.com).



## RESEARCH COVERAGE

## Equity Research Coverage

**Bank of America / Merrill Lynch**

James Feldman  
(646) 855-5808  
james.feldman@baml.com

**JMP Securities**

Mitch Germain  
(212) 906-3546  
mgermain@jmpsecurities.com

**Morgan Stanley**

Vikram Malhotra  
(212) 761-7064  
vikram.malhotra@morganstanley.com

**RBC Capital Markets**

Rich Moore  
(440) 715-2646  
rich.moore@rbccm.com

## Rating Agencies

**Moody's Investors Service**

Griselda Bisoño  
(212) 553-4985  
griselda.bisono@moodys.com

**Standard & Poor's**

Michael Souers  
(212) 438-2508  
michael.souers@standardandpoors.com

SIR 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 SIR's performance made by these analysts or agencies do not represent opinions, forecasts or predictions of SIR or its management. SIR 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

7001 Columbia Gateway Drive, Columbia, MD  
Square Feet: 119,912  
Merkle Group, Inc. Corporate Headquarters



## KEY FINANCIAL DATA

(dollars 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    |
| <b>Selected Balance Sheet Data:</b>             |                                      |              |              |              |              |
| Total gross assets <sup>(1)</sup>               | \$ 4,853,401                         | \$ 4,876,990 | \$ 4,849,124 | \$ 4,893,849 | \$ 4,736,537 |
| Total assets                                    | \$ 4,649,793                         | \$ 4,692,810 | \$ 4,684,345 | \$ 4,749,263 | \$ 4,608,411 |
| Total liabilities                               | \$ 2,553,157                         | \$ 2,591,733 | \$ 2,587,385 | \$ 2,576,459 | \$ 2,420,658 |
| Total shareholders' equity                      | \$ 2,096,636                         | \$ 2,101,077 | \$ 2,096,960 | \$ 2,169,534 | \$ 2,184,430 |
| <b>Selected Income Statement Data:</b>          |                                      |              |              |              |              |
| Total revenues                                  | \$ 114,904                           | \$ 117,232   | \$ 114,794   | \$ 111,942   | \$ 107,214   |
| Net income                                      | \$ 30,752                            | \$ 32,812    | \$ 10,917    | \$ 30,801    | \$ 29,188    |
| Net income attributed to SIR <sup>(2)</sup>     | \$ 30,752                            | \$ 32,779    | \$ 10,876    | \$ 30,755    | \$ 29,140    |
| NOI <sup>(3)</sup>                              | \$ 91,747                            | \$ 93,986    | \$ 92,749    | \$ 90,758    | \$ 88,394    |
| Adjusted EBITDA <sup>(4)</sup>                  | \$ 85,472                            | \$ 87,359    | \$ 88,150    | \$ 84,670    | \$ 82,752    |
| FFO <sup>(5)</sup>                              | \$ 64,157                            | \$ 66,204    | \$ 43,526    | \$ 63,750    | \$ 61,464    |
| Normalized FFO attributed to SIR <sup>(5)</sup> | \$ 64,157                            | \$ 66,262    | \$ 67,510    | \$ 64,152    | \$ 62,240    |

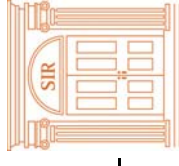
**Per Share Data:**

|   |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|
| Net income attributed to SIR - basic and diluted                    | \$ 0.34 | \$ 0.37 | \$ 0.12 | \$ 0.34 | \$ 0.33 |
| FFO attributed to SIR - basic and diluted <sup>(5)</sup>            | \$ 0.72 | \$ 0.74 | \$ 0.49 | \$ 0.71 | \$ 0.69 |
| Normalized FFO attributed to SIR - basic and diluted <sup>(5)</sup> | \$ 0.72 | \$ 0.74 | \$ 0.76 | \$ 0.72 | \$ 0.70 |

**Dividends:**

|   |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|
| Annualized dividends paid per share <sup>(6)</sup>          | \$ 2.00 | \$ 2.00 | \$ 2.00 | \$ 2.00 | \$ 2.00 |
| Annualized dividend yield (at end of period) <sup>(6)</sup> | 7.7%    | 8.7%    | 10.1%   | 10.5%   | 9.7%    |
| Normalized FFO payout ratio <sup>(5) (7)</sup>              | 69.4%   | 67.6%   | 65.8%   | 69.4%   | 70.5%   |

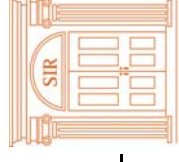
<sup>(1)</sup> Total gross assets is total assets plus accumulated depreciation.<sup>(2)</sup> Excludes an 11% noncontrolling interest of a third party in one property we acquired from Cole Corporate Income Trust, Inc., or CCIT, in January 2015. In February 2016, we purchased this 11% interest at fair market value from the former owner of that joint venture interest.<sup>(3)</sup> See page 20 for the calculation of NOI and a reconciliation of that amount to net income determined in accordance with GAAP.<sup>(4)</sup> See page 22 for the calculation of Adjusted EBITDA and a reconciliation of net income determined in accordance with GAAP to that amount.<sup>(5)</sup> See page 23 for the calculation of FFO attributed to SIR and Normalized FFO attributed to SIR determined in accordance with GAAP to those amounts.<sup>(6)</sup> The amounts stated reflect the then regular quarterly dividend rates per share annualized, which exclude prorated dividends related to our acquisition of CCIT by merger affecting the three month period ended June 30, 2015, and exclude a \$0.21 per common share non-cash distribution of RMR common stock to our shareholders on December 14, 2015 affecting the three month period ended December 31, 2015. On July 12, 2016, we declared a quarterly dividend of \$0.51 per share (\$2.04 per year) which we expect to pay on or about August 18, 2016 to holders of record on July 22, 2016.<sup>(7)</sup> Dividend amounts reflect the amounts paid during the period. Dividend amounts paid for the period January 1, 2015 through January 28, 2015, the day before the closing of the CCIT merger, are included in the period ended June 30, 2015. The dividend amount for the period ended December 31, 2015 excludes a \$0.21 per common share non-cash distribution of RMR common stock to our shareholders on December 14, 2015.



## CONDENSED CONSOLIDATED BALANCE SHEETS

(dollars in thousands, except per share data)

|   | June 30,<br>2016 | December 31,<br>2015 |
|---|------------------|----------------------|
| <b>ASSETS</b>   |                  |                      |
| Real estate properties:   |                  |                      |
| Land  | \$ 1,036,425     | \$ 1,036,425         |
| Buildings and improvements  | 3,087,516        | 3,083,243            |
|   | 4,123,941        | 4,119,668            |
| Accumulated depreciation  | (203,608)        | (164,779)            |
|   | 3,920,333        | 3,954,889            |
| Acquired real estate leases, net  | 535,235          | 566,195              |
| Cash and cash equivalents   | 10,815           | 17,876               |
| Restricted cash   | 44               | 1,171                |
| Rents receivable, including straight line rents of \$104,835 and \$92,264, respectively,<br>net of allowance for doubtful accounts of \$536 and \$464, respectively | 110,285          | 99,307               |
| Deferred leasing costs, net   | 9,858            | 7,221                |
| Other assets, net   | 63,223           | 37,686               |
| Total assets  | \$ 4,649,793     | \$ 4,684,345         |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>   |                  |                      |
| Unsecured revolving credit facility   | \$ 280,000       | \$ 303,000           |
| Unsecured term loan, net  | 348,124          | 347,876              |
| Senior unsecured notes, net   | 1,428,201        | 1,426,025            |
| Mortgage notes payable, net   | 286,326          | 286,706              |
| Accounts payable and other liabilities  | 98,015           | 105,403              |
| Assumed real estate lease obligations, net  | 82,044           | 86,495               |
| Rents collected in advance  | 14,319           | 16,295               |
| Security deposits   | 11,824           | 11,845               |
| Due to related persons  | 4,304            | 3,740                |
| Total liabilities   | 2,553,157        | 2,587,385            |
| Commitments and contingencies   |                  |                      |
| Shareholders' equity:   |                  |                      |
| Common shares of beneficial interest, \$ .01 par value: 125,000,000 shares<br>authorized; 89,386,529 and 89,374,029 shares issued and outstanding, respectively     | 894              | 894                  |
| Additional paid in capital  | 2,178,833        | 2,178,477            |
| Cumulative net income   | 388,517          | 324,986              |
| Cumulative other comprehensive income (loss)  | 5,576            | (19,587)             |
| Cumulative common distributions   | (477,184)        | (387,810)            |
| Total shareholders' equity  | 2,096,636        | 2,096,960            |
| Total liabilities and shareholders' equity  | \$ 4,649,793     | \$ 4,684,345         |



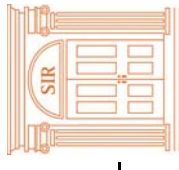
# CONDENSED CONSOLIDATED STATEMENTS OF INCOME

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

|   | For the Three Months Ended June 30, |           | For the Six Months Ended June 30, |            |
|---|-------------------------------------|-----------|-----------------------------------|------------|
|   | 2016                                | 2015      | 2016                              | 2015       |
| <b>Revenues:</b>  |                                     |           |                                   |            |
| Rental income   | \$ 96,615                           | \$ 92,166 | \$ 194,475                        | \$ 172,644 |
| Tenant reimbursements and other income  | 18,289                              | 15,048    | 37,661                            | 28,985     |
| Total revenues  | 114,904                             | 107,214   | 232,136                           | 201,629    |
| <b>Expenses:</b>  |                                     |           |                                   |            |
| Real estate taxes   | 10,522                              | 9,019     | 20,810                            | 17,376     |
| Other operating expenses  | 12,635                              | 9,801     | 25,593                            | 18,808     |
| Depreciation and amortization   | 33,405                              | 32,390    | 66,874                            | 57,109     |
| Acquisition related costs   | -                                   | 779       | 58                                | 21,318     |
| General and administrative  | 7,374                               | 6,368     | 14,350                            | 13,160     |
| Total expenses  | 63,936                              | 58,357    | 127,685                           | 127,771    |
| Operating income  | 50,968                              | 48,857    | 104,451                           | 73,858     |
| Dividend income   | 475                                 | -         | 475                               | -          |
| Interest expense (including net amortization of debt premiums and discounts and debt issuance costs of \$1,376, \$1,210, \$2,750 and \$2,381, respectively) | (20,584)                            | (19,497)  | (41,193)                          | (33,676)   |
| Loss on early extinguishment of debt  | -                                   | -         | -                                 | (6,845)    |
| Income before income tax expense and equity in earnings of an investee  | 30,859                              | 29,360    | 63,733                            | 33,337     |
| Income tax expense  | (124)                               | (195)     | (263)                             | (226)      |
| Equity in earnings of an investee   | 17                                  | 23        | 94                                | 95         |
| Net income  | 30,752                              | 29,188    | 63,564                            | 33,206     |
| Net income allocated to noncontrolling interest   | -                                   | (48)      | (33)                              | (89)       |
| Net income attributed to SIR  | \$ 30,752                           | \$ 29,140 | \$ 63,531                         | \$ 33,117  |
| Weighted average common shares outstanding - basic  | 89,292                              | 88,617    | 89,289                            | 84,078     |
| Weighted average common shares outstanding - diluted  | 89,315                              | 88,631    | 89,306                            | 84,090     |
| Net income attributed to SIR per common share - basic and diluted   | \$ 0.34                             | \$ 0.33   | \$ 0.71                           | \$ 0.39    |
| <b>Additional Data:</b>   |                                     |           |                                   |            |
| General and administrative expenses / total revenues  | 6.4%                                | 5.9%      | 6.2%                              | 6.5%       |
| General and administrative expenses / total assets (at end of period)   | 0.2%                                | 0.1%      | 0.3%                              | 0.3%       |
| Non-cash straight line rent adjustments included in rental income <sup>(1)</sup>  | \$ 6,269                            | \$ 6,646  | \$ 12,571                         | \$ 12,473  |
| Lease value amortization included in rental income <sup>(1)</sup>   | \$ 419                              | \$ 1,288  | \$ 855                            | \$ 2,096   |
| Lease termination fees included in rental income  | \$ -                                | \$ -      | \$ -                              | \$ 48      |
| Non-cash amortization included in other operating expenses <sup>(2)</sup>   | \$ 213                              | \$ -      | \$ 426                            | \$ -       |
| Non-cash amortization included in general and administrative expenses <sup>(2)</sup>  | \$ 344                              | \$ 142    | \$ 689                            | \$ 142     |

<sup>(1)</sup> 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 non-cash amortization of intangible lease assets and liabilities.

<sup>(2)</sup> 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

(dollars in thousands)

|   | For the Six Months Ended June 30, |              |
|---|-----------------------------------|--------------|
|   | 2016                              | 2015         |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |                                   |              |
| Net income  | \$ 63,564                         | \$ 33,206    |
| Adjustments to reconcile net income to net cash provided by operating activities:     |                                   |              |
| Depreciation  | 38,931                            | 33,828       |
| Net amortization of debt premiums and discounts and debt issuance costs               | 2,750                             | 2,381        |
| Amortization of acquired real estate leases and assumed real estate lease obligations | 26,510                            | 20,532       |
| Amortization of deferred leasing costs  | 676                               | 699          |
| Provision for losses on rents receivable  | 150                               | (288)        |
| Straight line rental income   | (12,571)                          | (12,473)     |
| Loss on early extinguishment of debt  | -                                 | 6,845        |
| Other non-cash expenses, net  | (236)                             | 1,188        |
| Equity in earnings of an investee   | (94)                              | (95)         |
| Change in assets and liabilities:   |                                   |              |
| Restricted cash   | 1,127                             | 916          |
| Rents receivable  | 1,443                             | 3,457        |
| Deferred leasing costs  | (3,408)                           | (262)        |
| Other assets  | 1,233                             | (302)        |
| Accounts payable and other liabilities  | (3,973)                           | 18,871       |
| Rents collected in advance  | (1,976)                           | (5,360)      |
| Security deposits   | (21)                              | 181          |
| Due to related persons  | 564                               | 2,624        |
| Net cash provided by operating activities   | 114,669                           | 105,948      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>  |                                   |              |
| Real estate acquisitions and deposits   | (1,000)                           | (1,992,577)  |
| Real estate improvements  | (4,255)                           | (2,131)      |
| Proceeds from sale of properties, net   | -                                 | 509,045      |
| Investment in The RMR Group Inc.  | -                                 | (18,461)     |
| Net cash used in investing activities   | (5,255)                           | (1,504,124)  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>  |                                   |              |
| Proceeds from issuance of senior unsecured notes, net                                 | -                                 | 1,433,694    |
| Proceeds from borrowings  | 65,000                            | 1,572,000    |
| Repayments of borrowings  | (88,127)                          | (1,506,122)  |
| Debt issuance costs   | -                                 | (23,761)     |
| Distributions to common shareholders  | (89,374)                          | (68,245)     |
| Purchase of noncontrolling interest   | (3,908)                           | -            |
| Distributions to noncontrolling interest  | (66)                              | (185)        |
| Net cash (used in) provided by financing activities                                   | (116,475)                         | 1,407,381    |
| (Decrease) increase in cash and cash equivalents                                      | (7,061)                           | 9,205        |
| Cash and cash equivalents at beginning of period                                      | 17,876                            | 13,504       |
| Cash and cash equivalents at end of period  | \$ 10,815                         | \$ 22,709    |
| <b>SUPPLEMENTAL DISCLOSURES:</b>  |                                   |              |
| Interest paid   | \$ 38,408                         | \$ 8,149     |
| Income taxes paid   | \$ 391                            | \$ 293       |
| <b>NON-CASH INVESTING ACTIVITIES:</b>   |                                   |              |
| Real estate and investment acquired by issuance of shares                             | \$ -                              | \$ (737,267) |
| Real estate acquired by assumption of mortgage notes payable                          | \$ -                              | \$ (297,698) |
| Real estate sold by assumption of mortgage notes payable                              | \$ -                              | \$ 29,955    |
| Working capital assumed   | \$ -                              | \$ (20,720)  |
| <b>NON-CASH FINANCING ACTIVITIES:</b>   |                                   |              |
| Assumption of mortgage notes payable  | \$ -                              | \$ 297,698   |
| Mortgage notes payable assumed in real estate sale                                    | \$ -                              | \$ (29,955)  |
| Issuance of SIR common shares   | \$ -                              | \$ 737,267   |



## DEBT SUMMARY

(dollars in thousands)

As of June 30, 2016:

|  | Coupon<br>Rate <sup>(1)</sup> | Interest<br>Rate <sup>(2)</sup> | Principal<br>Balance <sup>(3)</sup> | Maturity<br>Date | Due at<br>Maturity | Years to<br>Maturity |
|--|-------------------------------|---------------------------------|-------------------------------------|------------------|--------------------|----------------------|
| <b>Unsecured Floating Rate Debt</b>                            |                               |                                 |                                     |                  |                    |                      |
| Revolving credit facility (LIBOR + 105 bps) <sup>(4)(6)</sup>  | 1.486%                        | 1.486%                          | \$ 280,000                          | 3/29/2019        | \$ 280,000         | 2.7                  |
| Term loan (LIBOR + 115 bps) <sup>(5)(6)</sup>                  | 1.607%                        | 1.607%                          | 350,000                             | 3/31/2020        | 350,000            | 3.8                  |
| Subtotal / weighted average unsecured floating rate debt       | 1.553%                        | 1.553%                          | 630,000                             |                  | 630,000            | 3.3                  |
| <b>Unsecured Fixed Rate Debt</b>                               |                               |                                 |                                     |                  |                    |                      |
| Senior notes due 2018  | 2.850%                        | 2.985%                          | 350,000                             | 2/1/2018         | 350,000            | 1.6                  |
| Senior notes due 2020  | 3.600%                        | 3.775%                          | 400,000                             | 2/1/2020         | 400,000            | 3.6                  |
| Senior notes due 2022  | 4.150%                        | 4.360%                          | 300,000                             | 2/1/2022         | 300,000            | 5.6                  |
| Senior notes due 2025  | 4.500%                        | 4.755%                          | 400,000                             | 2/1/2025         | 400,000            | 8.6                  |
| Subtotal / weighted average unsecured fixed rate debt          | 3.781%                        | 3.976%                          | 1,450,000                           |                  | 1,450,000          | 4.9                  |
| <b>Secured Floating Rate Debt</b>                              |                               |                                 |                                     |                  |                    |                      |
| One property (one building) in Duluth, GA (LIBOR + 140 bps)    | 1.900%                        | 1.900%                          | 40,233                              | 12/19/2016       | 40,233             | 0.5                  |
| <b>Secured Fixed Rate Debt</b>                                 |                               |                                 |                                     |                  |                    |                      |
| One property (two buildings) in Carlsbad, CA                   | 5.950%                        | 4.200%                          | 17,627                              | 9/1/2017         | 17,314             | 1.2                  |
| One property (one building) in Harvey, IL                      | 4.500%                        | 3.280%                          | 2,000                               | 6/1/2019         | 1,902              | 2.9                  |
| One property (one building) in Columbus, OH                    | 4.500%                        | 3.280%                          | 2,400                               | 6/1/2019         | 2,282              | 2.9                  |
| One property (one building) in Ankeny, IA                      | 3.870%                        | 3.380%                          | 12,360                              | 7/19/2020        | 12,360             | 4.1                  |
| One property (one building) in Philadelphia, PA <sup>(7)</sup> | 2.457%                        | 4.160%                          | 41,000                              | 8/3/2020         | 39,635             | 4.1                  |
| One property (one building) in Chester, VA                     | 3.990%                        | 3.480%                          | 48,750                              | 11/1/2020        | 48,750             | 4.3                  |
| One property (three buildings) in Seattle, WA                  | 3.550%                        | 3.790%                          | 71,000                              | 5/1/2023         | 71,000             | 6.8                  |
| One property (one building) in Chicago, IL                     | 3.700%                        | 3.590%                          | 50,000                              | 6/1/2023         | 50,000             | 6.9                  |
| Subtotal / weighted average secured fixed rate debt            | 3.691%                        | 3.749%                          | 245,137                             |                  | 243,243            | 5.3                  |
| Total / weighted average debt                                  | 3.146%                        | 3.272%                          | \$ 2,365,370                        |                  | \$ 2,363,476       | 4.4                  |

<sup>(1)</sup> Reflects the interest rate stated in, or determined pursuant to, the contract terms.<sup>(2)</sup> Includes the effect of interest rate protection and mark to market accounting for certain mortgages and discounts on senior unsecured notes. Excludes upfront transaction costs.<sup>(3)</sup> Principal balance excludes unamortized premiums, discounts and certain issuance costs related to these debts. Total debt outstanding as of June 30, 2016, net of unamortized premiums, discounts and certain issuance costs totaling \$22,719, was \$2,342,651.<sup>(4)</sup> We have a \$750,000 revolving credit facility which has a maturity date of March 29, 2019, interest payable on borrowings of LIBOR plus 105 basis points and a facility fee of 20 basis points. Both the interest rate premium and the facility fee for the revolving credit facility are subject to adjustment based on changes to our credit ratings. Upon the payment of an extension fee and meeting other conditions, we have the option to extend the maturity date to March 29, 2020. Principal balance represents the amount outstanding on our \$750,000 revolving credit facility at June 30, 2016. Interest rate is as of June 30, 2016 and excludes the 20 basis points facility fee.<sup>(5)</sup> We have a \$350,000 term loan with a maturity date of March 31, 2020 and an interest rate on the amount outstanding of LIBOR plus 115 basis points. The interest rate premium for the term loan is subject to adjustment based on changes to our credit ratings. Principal balance represents the amount outstanding on our \$350,000 term loan at June 30, 2016. Interest rate is as of June 30, 2016.<sup>(6)</sup> The maximum borrowing availability under the revolving credit facility and term loan, combined, may be increased to up to \$2,200,000 on certain terms and conditions.<sup>(7)</sup> Interest is payable at a rate equal to LIBOR plus a premium. The interest charge has been fixed by a cash flow hedge which sets the interest rate at approximately 4.16% until August 3, 2020, which is the maturity date of the mortgage note. Coupon rate is as of June 30, 2016.



## DEBT MATURITY SCHEDULE

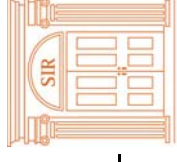
(dollars in thousands)

| Year                  | Scheduled Principal Payments As of June 30, 2016 |                        |                                 |           |                                  |                      |
|-----------------------|--|------------------------|---------------------------------|-----------|----------------------------------|----------------------|
|                       | Unsecured<br>Floating<br>Rate Debt               |                        | Unsecured<br>Fixed<br>Rate Debt |           | Secured<br>Floating<br>Rate Debt |                      |
|                       |  |                        |                                 |           |                                  | Total <sup>(3)</sup> |
| 7/1/2016 - 12/31/2016 | \$   | -                      | \$                              | -         | \$                               | 40,233               |
| 2017                  |  | -                      |                                 | -         |                                  | 165                  |
| 2018                  |  | -                      |                                 | -         |                                  | 17,570               |
| 2019                  |  | -                      |                                 | 350,000   |                                  | 304                  |
| 2020                  |  | 280,000 <sup>(1)</sup> |                                 | -         |                                  | 4,926                |
| 2021                  |  | 350,000 <sup>(2)</sup> |                                 | 400,000   |                                  | 101,172              |
| 2022                  |  | -                      |                                 | -         |                                  | -                    |
| 2023                  |  | -                      |                                 | 300,000   |                                  | -                    |
| 2024                  |  | -                      |                                 | -         |                                  | 121,000              |
| 2025                  |  | -                      |                                 | -         |                                  | -                    |
| Total                 | \$   | 630,000                | \$                              | 1,450,000 | \$                               | 40,233               |
| Percent               |  | 26.6%                  |                                 | 61.3%     |                                  | 1.7%                 |
|                       |  |                        |                                 |           |                                  | 10.4%                |
|                       |  |                        |                                 |           |                                  | 100.0%               |

<sup>(1)</sup> Represents the amount outstanding on our \$750,000 revolving credit facility at June 30, 2016. We have a \$750,000 revolving credit facility which has a maturity date of March 29, 2019, interest payable on borrowings of LIBOR plus 105 basis points and a facility fee of 20 basis points. Both the interest rate premium and the facility fee for the revolving credit facility are subject to adjustment based on changes to our credit ratings. Upon the payment of an extension fee and meeting other conditions, we have the option to extend the maturity date to March 29, 2020.

<sup>(2)</sup> Represents the amount outstanding on our \$350,000 term loan at June 30, 2016. We have a \$350,000 term loan with a maturity date of March 31, 2020 and interest rate on the amount outstanding of LIBOR plus 115 basis points. The interest rate premium for the term loan is subject to adjustment based on changes to our credit ratings.

<sup>(3)</sup> Total debt outstanding as of June 30, 2016, net of unamortized premiums, discounts and certain issuance costs totaling \$22,719, was \$2,342,651.



## 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 |
| <b><u>Leverage Ratios:</u></b>  |                                      |           |            |           |
| Total debt (book value) <sup>(1)</sup> / total gross assets <sup>(2)</sup>                          | 48.3%                                | 49.0%     | 48.7%      | 48.3%     |
| Total debt (book value) <sup>(1)</sup> / gross book value of real estate assets <sup>(3)</sup>      | 49.6%                                | 50.6%     | 50.1%      | 50.5%     |
| Total debt (book value) <sup>(1)</sup> / total market capitalization <sup>(4)</sup>                 | 50.2%                                | 53.7%     | 57.2%      | 58.2%     |
| Secured debt (book value) <sup>(1)</sup> / total assets   | 6.2%                                 | 6.1%      | 6.1%       | 6.0%      |
| Variable rate debt (book value) <sup>(1)</sup> / total debt (book value) <sup>(1)</sup>             | 28.5%                                | 30.0%     | 29.2%      | 29.3%     |
| <b><u>Coverage Ratios:</u></b>  |                                      |           |            |           |
| Adjusted EBITDA <sup>(5)</sup> / interest expense   | 4.2x                                 | 4.2x      | 4.4x       | 4.2x      |
| Total debt (book value) <sup>(1)</sup> / annualized Adjusted EBITDA <sup>(5)</sup>                  | 6.9x                                 | 6.8x      | 6.7x       | 7.0x      |
| <b><u>Public Debt Covenants:</u></b>  |                                      |           |            |           |
| Total debt / adjusted total assets <sup>(6)</sup> (maximum 60%)                                     | 49.7%                                | 50.4%     | 50.2%      | 49.8%     |
| Secured debt / adjusted total assets <sup>(6)</sup> (maximum 40%)                                   | 6.0%                                 | 6.0%      | 6.0%       | 6.0%      |
| Consolidated income available for debt service <sup>(7)</sup> / annual debt service (minimum 1.50x) | 4.5x                                 | 4.6x      | 4.4x       | 4.3x      |
| Total unencumbered assets <sup>(6)</sup> / unsecured debt (minimum 150%)                            | 202.4%                               | 198.8%    | 200.0%     | 201.5%    |

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

<sup>(2)</sup> Total gross assets is total assets plus accumulated depreciation.

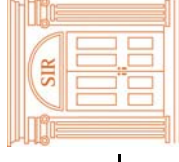
<sup>(3)</sup> Gross book value of real estate assets is real estate properties at cost, plus certain acquisition costs, if any, before depreciation and purchase price allocations, less impairment write-downs, if any.

<sup>(4)</sup> Total market capitalization is total debt plus the market value of our common shares at the end of each period.

<sup>(5)</sup> See page 22 for the calculation of Adjusted EBITDA and for a reconciliation of net income determined in accordance with GAAP to that amount.

<sup>(6)</sup> Adjusted total assets and total unencumbered assets include original cost of real estate assets calculated in accordance with GAAP and exclude depreciation and amortization, accounts receivable, other intangible assets and impairment write-downs, if any.

<sup>(7)</sup> Consolidated income available for debt service is earnings from operations excluding interest expense, depreciation and amortization, taxes, loss on asset impairment and gains and losses on acquisitions and sales of assets and early extinguishment of debt, determined together with debt service on a pro forma basis for the four consecutive fiscal quarters most recently ended.



## CAPITAL EXPENDITURES SUMMARY

(dollars in thousands)

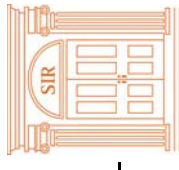
|  | For the Three Months Ended |           |            |           |           |           |
|--|----------------------------|-----------|------------|-----------|-----------|-----------|
|  | 6/30/2016                  | 3/31/2016 | 12/31/2015 | 9/30/2015 | 6/30/2015 | 6/30/2015 |
| Tenant improvements <sup>(1)</sup>                             | \$ 902                     | \$ 14     | \$ 192     | \$ 12     | \$ 1,632  | \$ 1,632  |
| Leasing costs <sup>(2)</sup>                                   | 121                        | 3,139     | 303        | 1,297     | 320       | 320       |
| Building improvements <sup>(3)</sup>                           | 1,021                      | 104       | 1,054      | 444       | 514       | 514       |
| Recurring capital expenditures                                 | 2,044                      | 3,257     | 1,549      | 1,753     | 2,466     | 2,466     |
| Development, redevelopment and other activities <sup>(4)</sup> | 1,187                      | 748       | 694        | 69        | 11        | 11        |
| Total capital expenditures                                     | \$ 3,231                   | \$ 4,005  | \$ 2,243   | \$ 1,822  | \$ 2,477  | \$ 2,477  |

<sup>(1)</sup> Tenant improvements include capital expenditures used to improve tenants' space or amounts paid directly to tenants to improve their space.

<sup>(2)</sup> Leasing costs include leasing related costs, such as brokerage commissions, legal costs and tenant inducements.

<sup>(3)</sup> Building improvements generally include (i) expenditures to replace obsolete building components and (ii) expenditures that extend the useful life of existing assets.

<sup>(4)</sup> 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 revenues.



## PROPERTY ACQUISITIONS AND DISPOSITIONS INFORMATION SINCE 1/1/16

### Acquisitions <sup>(1)</sup>:

| Date<br>Acquired | Location       | Number of<br>Properties | Number of<br>Buildings | Sq. Ft. | Purchase<br>Price <sup>(2)</sup> | Purchase<br>Price <sup>(2)</sup> /<br>Sq. Ft. | Cap<br>Rate <sup>(3)</sup> | Weighted<br>Average<br>Remaining<br>Lease Term<br>in Years <sup>(4)</sup> | Percent<br>Leased <sup>(5)</sup> | Tenant       |
|------------------|----------------|-------------------------|------------------------|---------|----------------------------------|---|----------------------------|---|----------------------------------|--------------|
|                  |                |                         |                        |         |                                  |   |                            |   |                                  |              |
| 7/22/2016        | Huntsville, AL | 1                       | 1                      | 57      | \$ 10,200                        | \$ 179  | 8.7%                       | 15.0  | 100.0%                           | Digium, Inc. |

<sup>(1)</sup> In February 2016, SIR also acquired its joint venture partner's 11% interest in a 344,476 square foot net leased office building located in Duluth, GA for \$3.9 million. As a result of that acquisition, SIR now wholly owns that property.

<sup>(2)</sup> Represents the gross purchase price, excluding acquisition related costs, purchase price allocations and assumed mortgage debt.

<sup>(3)</sup> Represents the ratio of (x) annual straight line rental income, excluding the impact of above and below market lease amortization, based on existing leases as of the date of acquisition, 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 any assumed debt and excluding acquisition related costs.

<sup>(4)</sup> Average remaining lease term in years is weighted based on rental revenues as of the date acquired.

<sup>(5)</sup> Percent leased is as of the date acquired.

### Dispositions:

SIR has not disposed of any properties since January 1, 2016.



## CALCULATION OF PROPERTY NET OPERATING INCOME (NOI) AND CASH BASIS NOI <sup>(1)</sup>

(dollars in thousands)

|  | For the Three Months Ended |           |            | For the Six Months Ended |            |
|--|----------------------------|-----------|------------|--------------------------|------------|
|  | 6/30/2016                  | 3/31/2016 | 12/31/2015 | 6/30/2016                | 6/30/2015  |
| <b>Calculation of NOI and Cash Basis NOI:</b>                                    |                            |           |            |                          |            |
| Rental income  | \$ 96,615                  | \$ 97,860 | \$ 96,750  | \$ 194,475               | \$ 172,644 |
| Tenant reimbursements and other income   | 18,289                     | 19,372    | 18,044     | 37,661                   | 28,985     |
| Real estate taxes  | (10,522)                   | (10,288)  | (10,213)   | (20,810)                 | (17,376)   |
| Other operating expenses   | (12,635)                   | (12,958)  | (11,832)   | (25,593)                 | (18,808)   |
| NOI  | 91,747                     | 93,986    | 92,749     | 185,733                  | 165,445    |
| Non-cash straight line rent adjustments included in rental income <sup>(2)</sup> | (6,269)                    | (6,302)   | (6,975)    | (12,571)                 | (12,473)   |
| Lease value amortization included in rental income <sup>(2)</sup>                | (419)                      | (436)     | (548)      | (855)                    | (2,096)    |
| Lease termination fees included in rental income <sup>(2)</sup>                  | -                          | -         | (75)       | -                        | (48)       |
| Non-cash amortization included in other operating expenses <sup>(3)</sup>        | (213)                      | (213)     | (215)      | (426)                    | -          |
| Cash Basis NOI   | \$ 84,846                  | \$ 87,035 | \$ 84,936  | \$ 171,881               | \$ 150,828 |
| <b>Reconciliation of Cash Basis NOI and NOI to Net Income:</b>                   |                            |           |            |                          |            |
| Cash Basis NOI   | \$ 84,846                  | \$ 87,035 | \$ 84,936  | \$ 171,881               | \$ 150,828 |
| Non-cash straight line rent adjustments included in rental income <sup>(2)</sup> | 6,269                      | 6,302     | 6,975      | 12,571                   | 12,473     |
| Lease value amortization included in rental income <sup>(2)</sup>                | 419                        | 436       | 548        | 855                      | 2,096      |
| Lease termination fees included in rental income <sup>(2)</sup>                  | -                          | -         | 75         | -                        | 48         |
| Non-cash amortization included in other operating expenses <sup>(3)</sup>        | 213                        | 213       | 215        | 426                      | -          |
| NOI  | 91,747                     | 93,986    | 92,749     | 185,733                  | 165,445    |
| Depreciation and amortization  | (33,405)                   | (33,469)  | (32,727)   | (66,874)                 | (57,109)   |
| Acquisition related costs  | -                          | (58)      | (267)      | (58)                     | (21,318)   |
| General and administrative   | (7,374)                    | (6,976)   | (6,371)    | (14,350)                 | (13,160)   |
| Operating income   | 50,968                     | 53,483    | 53,384     | 104,451                  | 73,858     |
| Dividend income  | 475                        | -         | 1,666      | 475                      | -          |
| Interest expense   | (20,584)                   | (20,609)  | (20,175)   | (41,193)                 | (33,676)   |
| Loss on early extinguishment of debt   | -                          | -         | -          | -                        | (6,845)    |
| Loss on distribution to common shareholders of RMR common stock                  | -                          | -         | (23,717)   | -                        | -          |
| Income before income tax expense and equity in earnings (loss) of an investee    | 30,859                     | 32,874    | 11,158     | 63,733                   | 33,337     |
| Income tax expense   | (124)                      | (139)     | (191)      | (263)                    | (226)      |
| Equity in earnings (loss) of an investee   | 17                         | 77        | (50)       | 94                       | 95         |
| Net income   | \$ 30,752                  | \$ 32,812 | \$ 10,917  | \$ 63,564                | \$ 33,206  |

<sup>(1)</sup> See Definitions of Certain Non-GAAP Financial Measures on page 24 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.

<sup>(2)</sup> 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 non-cash amortization of intangible lease assets and liabilities and lease termination fees, if any.

<sup>(3)</sup> 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 other operating expenses.

# RECONCILIATION OF NOI TO SAME PROPERTY NOI AND CALCULATION OF SAME PROPERTY CASH BASIS NOI <sup>(1)</sup>

(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  |
| <b>Reconciliation of NOI to Same Property NOI <sup>(2)(3)</sup>:</b>             |                            |           |                          |            |
| Rental income  | \$ 96,615                  | \$ 92,166 | \$ 194,475               | \$ 172,644 |
| Tenant reimbursements and other income   | 18,289                     | 15,048    | 37,661                   | 28,985     |
| Real estate taxes  | (10,522)                   | (9,019)   | (20,810)                 | (17,376)   |
| Other operating expenses   | (12,635)                   | (9,801)   | (25,593)                 | (18,808)   |
| NOI  | 91,747                     | 88,394    | 185,733                  | 165,445    |
| Less:  |                            |           |                          |            |
| NOI of properties not included in same property results                          | (3,768)                    | (321)     | (89,605)                 | (69,741)   |
| Same property NOI  | \$ 87,979                  | \$ 88,073 | \$ 96,128                | \$ 95,704  |
| <b>Calculation of Same Property Cash Basis NOI <sup>(2)(3)</sup>:</b>            |                            |           |                          |            |
| Same property NOI  | \$ 87,979                  | \$ 88,073 | \$ 96,128                | \$ 95,704  |
| Less:  |                            |           |                          |            |
| Non-cash straight line rent adjustments included in rental income <sup>(4)</sup> | (5,873)                    | (6,621)   | (5,531)                  | (6,333)    |
| Lease value amortization included in rental income <sup>(4)</sup>                | (1,197)                    | (1,286)   | (124)                    | (193)      |
| Lease termination fees included in rental income <sup>(4)</sup>                  | -                          | -         | -                        | (48)       |
| Non-cash amortization included in other operating expenses <sup>(5)</sup>        | (213)                      | -         | (268)                    | -          |
| Same property Cash Basis NOI   | \$ 80,696                  | \$ 80,166 | \$ 90,205                | \$ 89,130  |

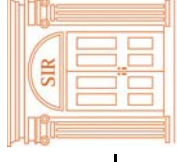
<sup>(1)</sup> See Definitions of Certain Non-GAAP Financial Measures on page 24 for a definition of NOI and Cash Basis NOI, a description of why we believe they are appropriate supplemental measures and a description of how we use these measures.

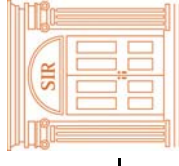
<sup>(2)</sup> For the three months ended June 30, 2016, same property NOI and Cash Basis NOI are based on properties we owned as of June 30, 2016, and which we owned continuously since April 1, 2015.

<sup>(3)</sup> For the six months ended June 30, 2016, same property NOI and Cash Basis NOI are based on properties we owned as of June 30, 2016, and which we owned continuously since January 1, 2015.

<sup>(4)</sup> 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 non-cash amortization of intangible lease assets and liabilities and lease termination fees, if any.

<sup>(5)</sup> 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 other operating expenses.





## CALCULATION OF EBITDA AND ADJUSTED EBITDA <sup>(1)</sup>

(dollars in thousands)

|  | For the Three Months Ended |           |            | For the Six Months Ended |            |            |
|--|----------------------------|-----------|------------|--------------------------|------------|------------|
|  | 6/30/2016                  | 3/31/2016 | 12/31/2015 | 6/30/2016                | 6/30/2015  | 6/30/2015  |
| Net income   | \$ 30,752                  | \$ 32,812 | \$ 10,917  | \$ 63,564                | \$ 33,206  | \$ 33,206  |
| Plus: interest expense   | 20,584                     | 20,609    | 20,175     | 41,193                   | 33,676     | 33,676     |
| Plus: income tax expense   | 124                        | 139       | 191        | 263                      | 226        | 226        |
| Plus: depreciation and amortization  | 33,405                     | 33,469    | 32,727     | 66,874                   | 57,109     | 57,109     |
| EBITDA   | 84,865                     | 87,029    | 64,010     | 171,894                  | 124,217    | 124,217    |
| Plus: acquisition related costs  | -                          | 58        | 267        | 58                       | 21,318     | 21,318     |
| Plus: general and administrative expense paid in common shares <sup>(2)</sup>        | 607                        | 272       | 156        | 879                      | 1,330      | 1,330      |
| Plus: loss on early extinguishment of debt <sup>(3)</sup>                            | -                          | -         | -          | -                        | 6,845      | 6,845      |
| Plus: loss on distribution to common shareholders of RMR common stock <sup>(4)</sup> | -                          | -         | 23,717     | -                        | -          | -          |
| Adjusted EBITDA  | \$ 85,472                  | \$ 87,359 | \$ 88,150  | \$ 172,831               | \$ 153,710 | \$ 153,710 |

<sup>(1)</sup> See Definitions of Certain Non-GAAP Financial Measures on page 24 for a definition of EBITDA and Adjusted EBITDA and a description of why we believe they are appropriate supplemental measures.

<sup>(2)</sup> 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.

<sup>(3)</sup> We recorded a \$6,845 loss on early extinguishment of debt in the first quarter of 2015 in connection with the termination of a bridge loan and the refinancing of our revolving credit facility and term loan.

<sup>(4)</sup> 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) ATTRIBUTED TO SIR AND NORMALIZED FFO ATTRIBUTED TO SIR



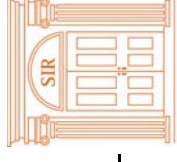
## CALCULATION OF FUNDS FROM OPERATIONS (FFO) ATTRIBUTED TO SIR AND NORMALIZED FFO ATTRIBUTED TO SIR <sup>(1)</sup>

(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 | 6/30/2016                | 6/30/2015  |
| Net income attributed to SIR   | \$ 30,752                  | \$ 32,779 | \$ 10,876  | \$ 63,531                | \$ 33,117  |
| Plus: depreciation and amortization  | 33,405                     | 33,469    | 32,727     | 66,874                   | 57,109     |
| Plus: net income allocated to noncontrolling interest                                | -                          | 33        | 41         | 33                       | 89         |
| Less: FFO allocated to noncontrolling interest                                       | -                          | (77)      | (118)      | (77)                     | (197)      |
| FFO attributed to SIR  | 64,157                     | 66,204    | 43,526     | 130,361                  | 90,118     |
| Plus: acquisition related costs  | -                          | 58        | 267        | 58                       | 21,318     |
| Plus: loss on early extinguishment of debt   | -                          | -         | -          | -                        | 6,845      |
| Plus: loss on distribution to common shareholders of RMR common stock <sup>(2)</sup> | -                          | -         | 23,717     | -                        | -          |
| Less: normalized FFO from noncontrolling interest, net of FFO                        | -                          | -         | -          | -                        | (62)       |
| Normalized FFO attributed to SIR   | \$ 64,157                  | \$ 66,262 | \$ 67,510  | \$ 130,419               | \$ 118,219 |
| Weighted average common shares outstanding - basic                                   | 89,292                     | 89,286    | 89,285     | 89,289                   | 84,078     |
| Weighted average common shares outstanding - diluted                                 | 89,315                     | 89,295    | 89,291     | 89,306                   | 84,090     |
| Net income attributed to SIR per share - basic and diluted                           | \$ 0.34                    | \$ 0.37   | \$ 0.12    | \$ 0.71                  | \$ 0.39    |
| FFO attributed to SIR per share - basic and diluted                                  | \$ 0.72                    | \$ 0.74   | \$ 0.49    | \$ 1.46                  | \$ 1.07    |
| Normalized FFO attributed to SIR per share - basic and diluted                       | \$ 0.72                    | \$ 0.74   | \$ 0.76    | \$ 1.46                  | \$ 1.41    |

<sup>(1)</sup> See Definitions of Certain Non-GAAP Financial Measures on page 24 for a definition of FFO attributed to SIR and Normalized FFO attributed to SIR, a description of why we believe they are appropriate supplemental measures and a description of how we use these measures.

<sup>(2)</sup> 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

### NOI and Cash Basis NOI:

The calculations of NOI and Cash Basis NOI exclude certain components of net income in order to provide results that are more closely related to our property level results of operations. We calculate NOI and Cash Basis NOI as shown on page 20. 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, lease termination fees, if any, and non-cash amortization included in other operating expenses. We consider NOI and Cash Basis NOI to be appropriate supplemental measures to net income 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 an alternative to net income, net income attributed to SIR 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, net income attributed to SIR, operating income and cash flow from operating activities as presented in our Condensed Consolidated Statements of Income and Condensed Consolidated Statements of Cash Flows. Other real estate companies and REITs may calculate NOI and Cash Basis NOI differently than we do.

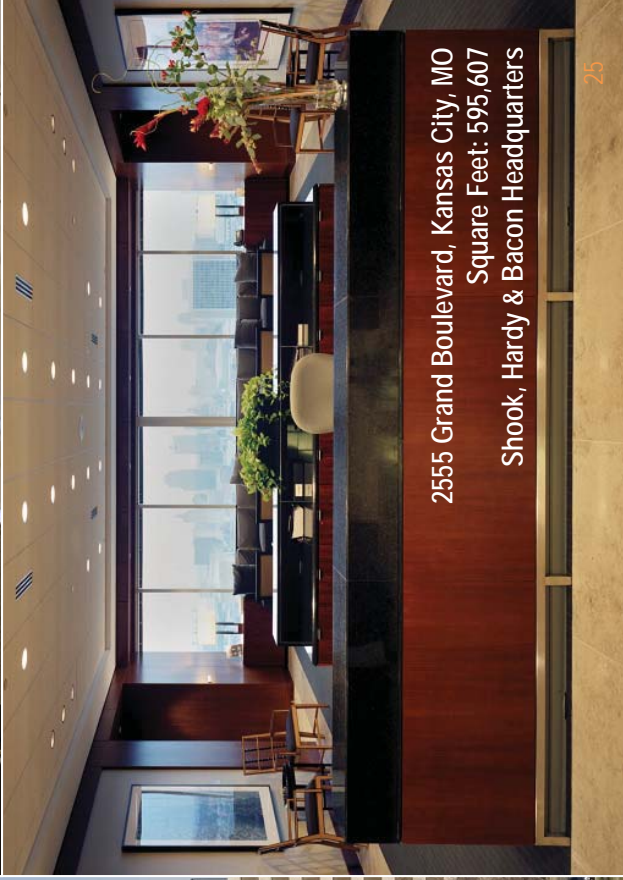
### EBITDA and Adjusted EBITDA:

We calculate EBITDA and Adjusted EBITDA as shown on page 22. We consider EBITDA and Adjusted EBITDA to be appropriate supplemental measures of our operating performance, along with net income, net income attributed to SIR, 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 an alternative to net income, net income attributed to SIR or operating income as an indicator of operating performance or as a measure of our liquidity. These measures should be considered in conjunction with net income, net income attributed to SIR, operating income and cash flow from operating activities as presented in our Condensed Consolidated Statements of Income and Condensed Consolidated Statements of Cash Flows. Other real estate companies and REITs may calculate EBITDA and Adjusted EBITDA differently than we do.

### FFO Attributed to SIR and Normalized FFO Attributed to SIR:

We calculate FFO attributed to SIR and Normalized FFO attributed to SIR as shown on page 23. FFO attributed to SIR is calculated on the basis defined by The National Association of Real Estate Investment Trusts, or NAREIT, which is net income, calculated in accordance with GAAP, plus real estate depreciation and amortization and the difference between net income and FFO allocated to noncontrolling interest, as well as certain other adjustments currently not applicable to us. Our calculation of Normalized FFO attributed to SIR differs from NAREIT's definition of FFO because 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, loss on early extinguishment of debt, loss on distribution to common shareholders of RMR common stock and Normalized FFO from noncontrolling interest, net of FFO. We consider FFO attributed to SIR and Normalized FFO attributed to SIR to be appropriate supplemental measures of operating performance for a REIT, along with net income, net income attributed to a REIT, operating income and cash flow from operating activities. We believe that FFO attributed to SIR and Normalized FFO attributed to SIR provide useful information to investors because by excluding the effects of certain historical amounts, such as depreciation expense, FFO attributed to SIR and Normalized FFO attributed to SIR may facilitate a comparison of our operating performance between periods and with other REITs. FFO attributed to SIR and Normalized FFO attributed to SIR 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 and our expected needs and availability of cash to pay our obligations. FFO attributed to SIR and Normalized FFO attributed to SIR do not represent cash generated by operating activities in accordance with GAAP and should not be considered as alternatives to net income, net income attributed to SIR 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, net income attributed to SIR, operating income and cash flow from operating activities as presented in our Condensed Consolidated Statements of Income and Condensed Consolidated Statements of Cash Flows. Other real estate companies and REITs may calculate FFO and Normalized FFO differently than we do.

## PORTFOLIO INFORMATION



2555 Grand Boulevard, Kansas City, MO  
Square Feet: 595,607  
Shook, Hardy & Bacon Headquarters

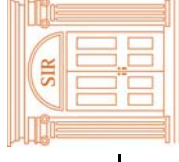


## PORTFOLIO SUMMARY BY PROPERTY TYPE

(dollars and sq. ft. in thousands)

| Key Statistic                                  | As of and For the Three Months Ended June 30, 2016 |                        |                                 |                      |            |
|--|--|------------------------|---------------------------------|----------------------|------------|
|  | Mainland<br>Office                                 | Mainland<br>Industrial | Subtotal Mainland<br>Properties | Hawaii<br>Properties | Total      |
| Number of properties                           | 64   | 44                     | 108                             | 11                   | 119        |
| Percent of total                               | 53.8%  | 37.0%                  | 90.8%                           | 9.2%                 | 100.0%     |
| Leasable buildings, land parcels and easements | 85   | 46                     | 131                             | 229                  | 360        |
| Percent of total                               | 23.6%  | 12.8%                  | 36.4%                           | 63.6%                | 100.0%     |
| Total square feet                              | 12,613   | 14,315                 | 26,928                          | 17,778               | 44,706     |
| Percent of total                               | 28.2%  | 32.0%                  | 60.2%                           | 39.8%                | 100.0%     |
| Leased square feet                             | 12,228   | 14,315                 | 26,543                          | 16,736               | 43,279     |
| Percent leased                                 | 96.9%  | 100.0%                 | 98.6%                           | 94.1%                | 96.8%      |
| Total revenues                                 | \$ 72,222  | \$ 20,195              | \$ 92,417                       | \$ 22,487            | \$ 114,904 |
| Percent of total                               | 62.8%  | 17.6%                  | 80.4%                           | 19.6%                | 100.0%     |
| NOI <sup>(1)</sup>                             | \$ 56,122  | \$ 18,010              | \$ 74,132                       | \$ 17,615            | \$ 91,747  |
| Percent of total                               | 61.2%  | 19.6%                  | 80.8%                           | 19.2%                | 100.0%     |
| Cash Basis NOI <sup>(1)</sup>                  | \$ 51,596  | \$ 16,559              | \$ 68,155                       | \$ 16,691            | \$ 84,846  |
| Percent of total                               | 60.8%  | 19.5%                  | 80.3%                           | 19.7%                | 100.0%     |

<sup>(1)</sup> See page 20 for the calculation of NOI and Cash Basis NOI and a reconciliation of those amounts to net income determined in accordance with GAAP.



## SAME PROPERTY RESULTS OF OPERATIONS

(sq. ft. in thousands)

|  | As of and For the Three Months Ended <sup>(1)</sup> |           | As of and For the Six Months Ended <sup>(2)</sup> |           |
|--|---|-----------|---|-----------|
|  | 6/30/2016   | 6/30/2015 | 6/30/2016   | 6/30/2015 |
| <b>Number of Properties:</b>                           |   |           |   |           |
| Mainland Office  | 60  | 60        | 28  | 28        |
| Mainland Industrial                                    | 44  | 44        | 12  | 12        |
| Subtotal Mainland Properties                           | 104   | 104       | 40  | 40        |
| Hawaii Properties                                      | 11  | 11        | 11  | 11        |
| Total  | 115   | 115       | 51  | 51        |
| <b>Leasable buildings, land parcels and easements:</b> |   |           |   |           |
| Mainland Office  | 79  | 79        | 39  | 39        |
| Mainland Industrial                                    | 46  | 46        | 13  | 13        |
| Subtotal Mainland Properties                           | 125   | 125       | 52  | 52        |
| Hawaii Properties                                      | 229   | 229       | 229   | 229       |
| Total  | 354   | 354       | 281   | 281       |
| <b>Square Feet <sup>(3)</sup>:</b>                     |   |           |   |           |
| Mainland Office  | 11,722  | 11,722    | 5,345   | 5,345     |
| Mainland Industrial                                    | 14,315  | 14,315    | 4,548   | 4,548     |
| Subtotal Mainland Properties                           | 26,037  | 26,037    | 9,893   | 9,893     |
| Hawaii Properties                                      | 17,778  | 17,778    | 17,778  | 17,778    |
| Total  | 43,815  | 43,815    | 27,671  | 27,671    |
| <b>Percent Leased <sup>(4)</sup>:</b>                  |   |           |   |           |
| Mainland Office  | 96.7%   | 100.0%    | 92.8%   | 100.0%    |
| Mainland Industrial                                    | 100.0%  | 100.0%    | 100.0%  | 100.0%    |
| Subtotal Mainland Properties                           | 98.5%   | 100.0%    | 96.1%   | 100.0%    |
| Hawaii Properties                                      | 94.1%   | 94.4%     | 94.1%   | 94.4%     |
| Total  | 96.7%   | 97.7%     | 94.8%   | 96.4%     |

<sup>(1)</sup> Consists of properties that we owned continuously since April 1, 2015.

<sup>(2)</sup> Consists of properties that we owned continuously since January 1, 2015.

<sup>(3)</sup> Subject to modest adjustments when space is re-measured or re-configured for new tenants and when land leases are converted to building leases.

<sup>(4)</sup> Includes (i) space being fitted out for occupancy pursuant to existing leases, if any, and (ii) space that is leased but is not occupied or is being offered for sublease by tenants, if any.



# SAME PROPERTY RESULTS OF OPERATIONS (CONTINUED)

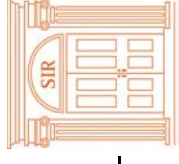
(dollars in thousands)

|                                       | As of and For the Three Months Ended <sup>(1)</sup> |            | As of and For the Six Months Ended <sup>(2)</sup> |            |
|---------------------------------------|---|------------|---|------------|
|                                       | 6/30/2016   | 6/30/2015  | 6/30/2016   | 6/30/2015  |
| <b>Total Revenues:</b>                |   |            |   |            |
| Mainland Office                       | \$ 66,340   | \$ 65,321  | \$ 58,458   | \$ 57,801  |
| Mainland Industrial                   | 20,195  | 19,718     | 14,073  | 13,691     |
| Subtotal Mainland Properties          | 86,535  | 85,039     | 72,531  | 71,492     |
| Hawaii Properties                     | 22,487  | 21,779     | 45,826  | 44,928     |
| Total                                 | \$ 109,022  | \$ 106,818 | \$ 118,357  | \$ 116,420 |
| <b>NOI <sup>(3)</sup>:</b>            |   |            |   |            |
| Mainland Office                       | \$ 52,354   | \$ 52,830  | \$ 47,656   | \$ 47,659  |
| Mainland Industrial                   | 18,010  | 17,679     | 12,405  | 12,040     |
| Subtotal Mainland Properties          | 70,364  | 70,509     | 60,061  | 59,699     |
| Hawaii Properties                     | 17,615  | 17,564     | 36,067  | 36,005     |
| Total                                 | \$ 87,979   | \$ 88,073  | \$ 96,128   | \$ 95,704  |
| <b>Cash Basis NOI <sup>(3)</sup>:</b> |   |            |   |            |
| Mainland Office                       | \$ 47,446   | \$ 47,189  | \$ 44,449   | \$ 43,675  |
| Mainland Industrial                   | 16,559  | 16,252     | 11,440  | 10,969     |
| Subtotal Mainland Properties          | 64,005  | 63,441     | 55,889  | 54,644     |
| Hawaii Properties                     | 16,691  | 16,725     | 34,316  | 34,486     |
| Total                                 | \$ 80,696   | \$ 80,166  | \$ 90,205   | \$ 89,130  |
| <b>NOI % Change:</b>                  |   |            |   |            |
| Mainland Office                       | -0.9%   |            | 0.0%  |            |
| Mainland Industrial                   | 1.9%  |            | 3.0%  |            |
| Subtotal Mainland Properties          | -0.2%   |            | 0.6%  |            |
| Hawaii Properties                     | 0.3%  |            | 0.2%  |            |
| Total                                 | -0.1%   |            | 0.4%  |            |
| <b>Cash Basis NOI % Change:</b>       |   |            |   |            |
| Mainland Office                       | 0.5%  |            | 1.8%  |            |
| Mainland Industrial                   | 1.9%  |            | 4.3%  |            |
| Subtotal Mainland Properties          | 0.9%  |            | 2.3%  |            |
| Hawaii Properties                     | -0.2%   |            | -0.5%   |            |
| Total                                 | 0.7%  |            | 1.2%  |            |

<sup>(1)</sup> Consists of properties that we owned continuously since April 1, 2015.

<sup>(2)</sup> Consists of properties that we owned continuously since January 1, 2015.

<sup>(3)</sup> See page 20 for the calculation of NOI and Cash Basis NOI and a reconciliation of those amounts to net income determined in accordance with GAAP and see page 21 for a calculation and reconciliation of same property NOI and same property Cash Basis NOI.



## LEASING SUMMARY

(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                                     | 119                                  | 119       | 119        | 118       | 116       |  |
| Leasable buildings, land parcels and easements | 360                                  | 360       | 360        | 359       | 355       |  |
| Total sq. ft. <sup>(1)</sup>                   | 44,706                               | 44,706    | 44,706     | 44,606    | 43,921    |  |
| Square feet leased                             | 43,279                               | 43,700    | 43,712     | 43,591    | 42,921    |  |
| Percentage leased                              | 96.8%                                | 97.8%     | 97.8%      | 97.7%     | 97.7%     |  |
| <b>Leasing Activity (Sq. Ft.):</b>             |                                      |           |            |           |           |  |
| New leases                                     | 15                                   | 42        | 72         | 60        | 70        |  |
| Renewals                                       | 133                                  | 438       | 97         | 1,209     | 165       |  |
| Total  | 148                                  | 480       | 169        | 1,269     | 235       |  |

### % Change in GAAP Rent <sup>(2)</sup>:

|                  |        |       |       |       |       |
|------------------|--------|-------|-------|-------|-------|
| New leases       | -21.9% | 19.7% | 25.5% | 21.2% | 47.6% |
| Renewals         | 24.6%  | 13.6% | 26.6% | 9.5%  | 12.6% |
| Weighted average | 15.5%  | 13.9% | 26.1% | 10.0% | 22.1% |

### Leasing Costs and Concession Commitments <sup>(3)</sup>:

|            |       |           |        |          |        |
|------------|-------|-----------|--------|----------|--------|
| New leases | \$ 66 | \$ 349    | \$ 720 | \$ 20    | \$ 612 |
| Renewals   | 25    | 12,263    | 27     | 4,226    | 161    |
| Total      | \$ 91 | \$ 12,612 | \$ 747 | \$ 4,246 | \$ 773 |

### Leasing Costs and Concession Commitments per Sq. Ft. <sup>(3)</sup>:

|            |         |          |          |         |         |
|------------|---------|----------|----------|---------|---------|
| New leases | \$ 4.40 | \$ 8.31  | \$ 10.00 | \$ 0.33 | \$ 8.74 |
| Renewals   | \$ 0.19 | \$ 28.00 | \$ 0.28  | \$ 3.50 | \$ 0.98 |
| Total      | \$ 0.61 | \$ 26.28 | \$ 4.42  | \$ 3.35 | \$ 3.29 |

### Weighted Average Lease Term by Sq. Ft. (years):

|            |      |      |      |      |      |
|------------|------|------|------|------|------|
| New leases | 4.3  | 21.9 | 21.7 | 10.0 | 20.6 |
| Renewals   | 13.2 | 15.3 | 16.9 | 20.8 | 8.7  |
| Total      | 12.3 | 15.8 | 18.9 | 20.2 | 12.2 |

### Leasing Costs and Concession Commitments per Sq. Ft. per Year <sup>(3)(4)</sup>:

|            |         |         |         |         |         |
|------------|---------|---------|---------|---------|---------|
| New leases | \$ 1.02 | \$ 0.38 | \$ 0.46 | \$ 0.03 | \$ 0.42 |
| Renewals   | \$ 0.01 | \$ 1.83 | \$ 0.02 | \$ 0.17 | \$ 0.11 |
| Total      | \$ 0.05 | \$ 1.66 | \$ 0.23 | \$ 0.17 | \$ 0.27 |

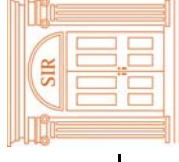
<sup>(1)</sup> Subject to modest adjustments when space is re-measured or re-configured for new tenants and when land leases are converted to building leases.

<sup>(2)</sup> Percent difference in prior rents charged for same space. Rents include estimated recurring expense reimbursements and exclude lease value amortization.

<sup>(3)</sup> Includes commitments made for leasing expenditures and concessions, such as tenant improvements, leasing commissions, tenant reimbursements and free rent.

<sup>(4)</sup> Amounts are per square foot per year for the weighted average lease term by leased square feet.

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



## OCCUPANCY AND LEASING ANALYSIS BY PROPERTY TYPE

(sq. ft. in thousands)

| Property Type                | Total Sq. Ft. <sup>(1)</sup><br>As of<br>6/30/2016 | Sq. Ft. Leases Executed During<br>the Three Months Ended 6/30/2016 |          |       |
|------------------------------|--|--|----------|-------|
|                              |  | New  | Renewals | Total |
| Mainland Office              | 12,613   | -  | -        | -     |
| Mainland Industrial          | 14,315   | -  | -        | -     |
| Subtotal Mainland Properties | 26,928   | -  | -        | -     |
| Hawaii Properties            | 17,778   | 15   | 133      | 148   |
| Total                        | 44,706   | 15   | 133      | 148   |

| Property Type                | As of<br>3/31/2016 | 3/31/2016<br>% Leased <sup>(2)</sup> | Sq. Ft. Leased |                     |   | Acquisitions /<br>(Sales) | As of<br>6/30/2016 | 6/30/2016<br>% Leased |
|------------------------------|--------------------|--------------------------------------|----------------|---------------------|---|---------------------------|--------------------|-----------------------|
|                              |                    |                                      | Expired        | New and<br>Renewals |   |                           |                    |                       |
| Mainland Office              | 12,613             | 100.0%                               | (385)          | -                   | - | -                         | 12,228             | 96.9%                 |
| Mainland Industrial          | 14,315             | 100.0%                               | -              | -                   | - | -                         | 14,315             | 100.0%                |
| Subtotal Mainland Properties | 26,928             | 100.0%                               | (385)          | -                   | - | -                         | 26,543             | 98.6%                 |
| Hawaii Properties            | 16,772             | 94.3%                                | (184)          | 148                 | - | -                         | 16,736             | 94.1%                 |
| Total                        | 43,700             | 97.8%                                | (569)          | 148                 | - | -                         | 43,279             | 96.8%                 |

<sup>(1)</sup> Subject to modest adjustments when space is re-measured or re-configured for new tenants and when land leases are converted to building leases.<sup>(2)</sup> Excludes effects of space remeasurements during the period, if any.

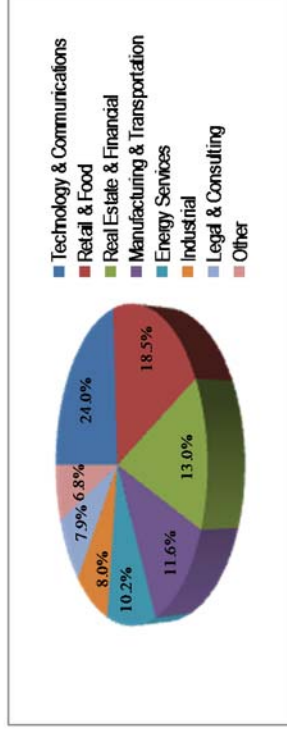


## TENANT DIVERSITY AND CREDIT CHARACTERISTICS

As of June 30, 2016

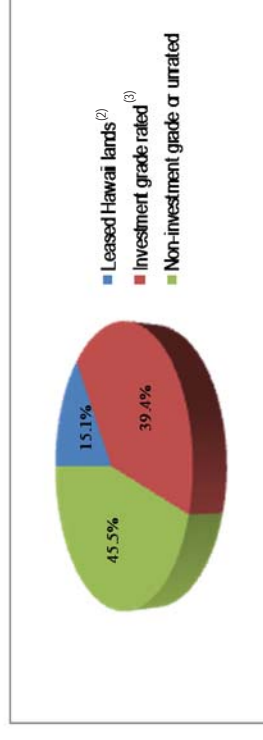
| Tenant Industry                | % of Annualized<br>Rental Revenue <sup>(1)</sup> |
|--------------------------------|--|
| Technology & Communications    | 24.0%  |
| Retail & Food                  | 18.5%  |
| Real Estate & Financial        | 13.0%  |
| Manufacturing & Transportation | 11.6%  |
| Energy Services                | 10.2%  |
| Industrial                     | 8.0%   |
| Legal & Consulting             | 7.9%   |
| Other                          | 6.8%   |
|                                | 100.0%   |

% of Annualized Rental Revenue <sup>(1)</sup>



| Tenant Credit Characteristics   | % of Annualized<br>Rental Revenue <sup>(1)</sup> |
|---------------------------------|--|
| Leased Hawaii lands             | 15.1% <sup>(2)</sup>                             |
| Investment grade rated          | 39.4% <sup>(3)</sup>                             |
| Non-investment grade or unrated | 45.5%  |
|                                 | 100.0%   |

% of Annualized Rental Revenue <sup>(1)</sup>



<sup>(1)</sup> Annualized rental revenue is calculated as the annualized contractual rents, as of June 30, 2016, from tenants pursuant to existing leases, including straight line rent adjustments and excluding lease value amortization, and further adjusted for tenant concessions, including free rent and amounts reimbursed to tenants, plus estimated recurring expense reimbursements from tenants pursuant to existing leases.

<sup>(2)</sup> Excludes certain Hawaii lands which are leased by investment grade rated tenants and included in the investment grade rated tenant credit category.

<sup>(3)</sup> Includes certain Hawaii lands which are leased by investment grade rated tenants.

# TENANTS REPRESENTING 1% OR MORE OF TOTAL ANNUALIZED RENTAL REVENUE

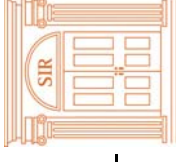
As of June 30, 2016

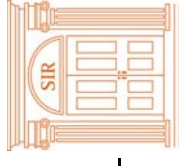
(sq. ft. in thousands)

|     | Tenant                                | Property Type                        | Sq. Ft. <sup>(1)</sup> | % of Total Sq. Ft. <sup>(1)</sup> | % of Annualized Rental Revenue <sup>(2)</sup> |
|-----|---------------------------------------|--------------------------------------|------------------------|-----------------------------------|---|
| 1.  | Shook, Hardy & Bacon L.L.P.           | Mainland Office                      | 596                    | 1.4%                              | 4.0%  |
| 2.  | Tellabs, Inc.                         | Mainland Office                      | 820                    | 1.9%                              | 3.7%  |
| 3.  | Amazon.com, Inc.                      | Mainland Industrial                  | 3,048                  | 7.0%                              | 3.6%  |
| 4.  | Bank of America, National Association | Mainland Office                      | 554                    | 1.3%                              | 3.1%  |
| 5.  | Noble Energy, Inc.                    | Mainland Office                      | 497                    | 1.1%                              | 3.1%  |
| 6.  | Tesoro Corporation                    | Mainland Office                      | 618                    | 1.4%                              | 3.1%  |
| 7.  | Cinram Group, Inc.                    | Mainland Industrial                  | 1,873                  | 4.3%                              | 2.9%  |
| 8.  | F5 Networks, Inc.                     | Mainland Office                      | 299                    | 0.7%                              | 2.9%  |
| 9.  | WestRock Company                      | Mainland Office                      | 311                    | 0.7%                              | 2.4%  |
| 10. | Orbital ATK, Inc.                     | Mainland Office                      | 337                    | 0.8%                              | 2.3%  |
| 11. | Tyson Foods, Inc.                     | Mainland Office                      | 248                    | 0.6%                              | 2.2%  |
| 12. | Novell, Inc.                          | Mainland Office                      | 406                    | 0.9%                              | 1.8%  |
| 13. | FedEx Corporation                     | Mainland Office; Mainland Industrial | 795                    | 1.8%                              | 1.7%  |
| 14. | PNC Bank, National Association        | Mainland Office                      | 441                    | 1.0%                              | 1.4%  |
| 15. | Allstate Insurance Company            | Mainland Office                      | 458                    | 1.1%                              | 1.3%  |
| 16. | ServiceNow, Inc.                      | Mainland Office                      | 149                    | 0.3%                              | 1.3%  |
| 17. | Church & Dwight Co., Inc.             | Mainland Office                      | 250                    | 0.6%                              | 1.3%  |
| 18. | Restoration Hardware, Inc.            | Mainland Industrial                  | 1,195                  | 2.8%                              | 1.3%  |
| 19. | Tailored Brands, Inc.                 | Mainland Office                      | 206                    | 0.5%                              | 1.2%  |
| 20. | Primerica Life Insurance Company      | Mainland Office                      | 344                    | 0.8%                              | 1.2%  |
| 21. | American Tire Distributors, Inc.      | Mainland Industrial                  | 722                    | 1.7%                              | 1.1%  |
| 22. | The Southern Company                  | Mainland Office                      | 448                    | 1.0%                              | 1.1%  |
| 23. | Compass Group USA, Inc.               | Mainland Office                      | 227                    | 0.5%                              | 1.1%  |
| 24. | United Launch Alliance, LLC           | Mainland Office                      | 168                    | 0.4%                              | 1.1%  |
| 25. | Red Hat, Inc.                         | Mainland Office                      | 175                    | 0.4%                              | 1.0%  |
|     | Total                                 |                                      | 15,185                 | 35.0%                             | 51.2%   |

<sup>(1)</sup> Pursuant to existing leases as of June 30, 2016 and includes (i) space being filled out for occupancy, if any, and (ii) space which is leased but is not occupied or is being offered for sublease by tenants, if any.

<sup>(2)</sup> Annualized rental revenue is calculated as the annualized contractual rents, as of June 30, 2016, from tenants pursuant to existing leases, including straight line rent adjustments and excluding lease value amortization, and further adjusted for tenant concessions, including free rent and amounts reimbursed to tenants, plus estimated recurring expense reimbursements from tenants pursuant to existing leases.





## THREE YEAR LEASE EXPIRATION SCHEDULE BY PROPERTY TYPE

As of June 30, 2016

(dollars and sq. ft. in thousands)

|  | Total      | 2016   | 2017     | 2018      | 2019 and<br>Thereafter |
|--|------------|--------|----------|-----------|------------------------|
| <b>Mainland Office:</b>                  |            |        |          |           |                        |
| Total sq. ft.                            | 12,613     |        |          |           |                        |
| Leased sq. ft. <sup>(1)</sup>            | 12,228     | 1      | 135      | 753       | 11,339                 |
| Percent                                  |            | 0.0%   | 1.1%     | 6.2%      | 92.7%                  |
| Annualized rental revenue <sup>(2)</sup> |            |        |          |           |                        |
| Percent                                  | \$ 280,719 | \$ 26  | \$ 2,520 | \$ 9,368  | \$ 268,805             |
|  |            | 0.0%   | 0.9%     | 3.3%      | 95.8%                  |
| <b>Mainland Industrial:</b>              |            |        |          |           |                        |
| Total sq. ft.                            | 14,315     |        |          |           |                        |
| Leased sq. ft. <sup>(1)</sup>            | 14,315     | -      | 93       | 372       | 13,850                 |
| Percent                                  |            | 0.0%   | 0.6%     | 2.6%      | 96.8%                  |
| Annualized rental revenue <sup>(2)</sup> |            |        |          |           |                        |
| Percent                                  | \$ 80,461  | \$ -   | \$ 1,372 | \$ 2,381  | \$ 76,708              |
|  |            | 0.0%   | 1.7%     | 3.0%      | 95.3%                  |
| <b>Subtotal Mainland Properties:</b>     |            |        |          |           |                        |
| Total sq. ft.                            | 26,928     |        |          |           |                        |
| Leased sq. ft. <sup>(1)</sup>            | 26,543     | 1      | 228      | 1,125     | 25,189                 |
| Percent                                  |            | 0.0%   | 0.9%     | 4.2%      | 94.9%                  |
| Annualized rental revenue <sup>(2)</sup> |            |        |          |           |                        |
| Percent                                  | \$ 361,180 | \$ 26  | \$ 3,892 | \$ 11,749 | \$ 345,513             |
|  |            | 0.0%   | 1.1%     | 3.3%      | 95.6%                  |
| <b>Hawaii Properties:</b>                |            |        |          |           |                        |
| Total sq. ft.                            | 17,778     |        |          |           |                        |
| Leased sq. ft. <sup>(1)</sup>            | 16,736     | 142    | 254      | 330       | 16,010                 |
| Percent                                  |            | 0.8%   | 1.5%     | 2.0%      | 95.7%                  |
| Annualized rental revenue <sup>(2)</sup> |            |        |          |           |                        |
| Percent                                  | \$ 88,948  | \$ 653 | \$ 1,257 | \$ 3,961  | \$ 83,077              |
|  |            | 0.7%   | 1.4%     | 4.5%      | 93.4%                  |
| <b>Total:</b>                            |            |        |          |           |                        |
| Total sq. ft.                            | 44,706     |        |          |           |                        |
| Leased sq. ft. <sup>(1)</sup>            | 43,279     | 143    | 482      | 1,455     | 41,199                 |
| Percent                                  |            | 0.3%   | 1.1%     | 3.4%      | 95.2%                  |
| Annualized rental revenue <sup>(2)</sup> |            |        |          |           |                        |
| Percent                                  | \$ 450,128 | \$ 679 | \$ 5,149 | \$ 15,710 | \$ 428,590             |
|  |            | 0.2%   | 1.1%     | 3.5%      | 95.2%                  |

<sup>(1)</sup> Pursuant to existing leases as of June 30, 2016 and includes (i) space being filled out for occupancy, if any, and (ii) space which is leased but is not occupied, or is being offered for sublease, if any.

<sup>(2)</sup> Annualized rental revenue is calculated as the annualized contractual rents, as of June 30, 2016, from tenants pursuant to existing leases, including straight line rent adjustments and excluding lease value amortization, and further adjusted for tenant concessions, including free rent and amounts reimbursed to tenants, plus estimated recurring expense reimbursements from tenants pursuant to existing leases.



# PORTFOLIO LEASE EXPIRATION SCHEDULE

As of June 30, 2016

(dollars and sq. ft. in thousands)

| Period / Year         | Number of<br>Leases | Rented<br>Square Feet<br>Expiring <sup>(1)</sup> | % of Total<br>Rented<br>Square Feet<br>Expiring <sup>(1)</sup> | Cumulative %<br>of Total Rented<br>Square Feet<br>Expiring <sup>(1)</sup> | Annualized<br>Rental Revenue<br>Expiring <sup>(2)</sup> | % of Total<br>Annualized<br>Rental Revenue<br>Expiring <sup>(2)</sup> | Cumulative<br>% of Total<br>Annualized<br>Rental Revenue<br>Expiring <sup>(2)</sup> |
|-----------------------|---------------------|--|--|---|---|---|---|
| 7/1/2016 - 12/31/2016 | 11                  | 143  | 0.3%   | 0.3%  | \$ 679  | 0.2%  | 0.2%  |
| 2017                  | 15                  | 482  | 1.1%   | 1.4%  | 5,149   | 1.1%  | 1.3%  |
| 2018                  | 26                  | 1,455  | 3.4%   | 4.8%  | 15,710  | 3.5%  | 4.8%  |
| 2019                  | 19                  | 1,910  | 4.4%   | 9.2%  | 8,742   | 1.9%  | 6.7%  |
| 2020                  | 15                  | 961  | 2.2%   | 11.4%   | 9,085   | 2.0%  | 8.7%  |
| 2021                  | 17                  | 1,124  | 2.6%   | 14.0%   | 11,349  | 2.5%  | 11.2%   |
| 2022                  | 69                  | 3,914  | 9.0%   | 23.0%   | 48,775  | 10.8%   | 22.0%   |
| 2023                  | 25                  | 3,580  | 8.3%   | 31.3%   | 39,934  | 8.9%  | 30.9%   |
| 2024                  | 23                  | 7,001  | 16.2%  | 47.5%   | 69,390  | 15.4%   | 46.3%   |
| 2025                  | 16                  | 1,769  | 4.1%   | 51.6%   | 26,199  | 5.8%  | 52.1%   |
| Thereafter            | 106                 | 20,940   | 48.4%  | 100.0%  | 215,116   | 47.9%   | 100.0%  |
| Total                 | 342                 | 43,279   | 100.0%   |   | \$ 450,128  | 100.0%  |   |

Weighted average remaining

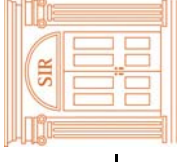
lease term (in years)

10.8

10.3

<sup>(1)</sup> Rented square feet is pursuant to existing leases as of June 30, 2016, and includes (i) space being fitted out for occupancy pursuant to existing leases, if any, and (ii) space which is leased but is not occupied or is being offered for sublease by tenants, if any.

<sup>(2)</sup> Annualized rental revenue is calculated as the annualized contractual rents, as of June 30, 2016, from tenants pursuant to existing leases, including straight line rent adjustments and excluding lease value amortization, and further adjusted for tenant concessions, including free rent and amounts reimbursed to tenants, plus estimated recurring expense reimbursements from tenants pursuant to existing leases.



## HAWAII LAND RENT RESET SUMMARY

(dollars and sq. ft. in thousands)

Historical Hawaii Land Rent Resets:

|  | For the Three Months Ended |           |            |           |
|--|----------------------------|-----------|------------|-----------|
|  | 6/30/2016                  | 3/31/2016 | 12/31/2015 | 9/30/2015 |
| Number of leases subject to resets         | -                          | -         | 1          | 1         |
| Square feet                                | -                          | -         | 70         | 46        |
| Percent change in GAAP rent <sup>(1)</sup> | 0.0%                       | 0.0%      | 44.3%      | 55.0%     |
|  |                            |           |            | 24.5%     |

Scheduled Hawaii Land Rent Resets:  
As of June 30, 2016

|                       | Number<br>of Resets | Sq. Ft. | Annualized<br>Rental Revenue <sup>(2)</sup> |
|-----------------------|---------------------|---------|---|
| 7/1/2016 - 12/31/2016 | -                   | -       | \$ -  |
| 2017                  | 7                   | 423     | 2,349                                       |
| 2018                  | 8                   | 380     | 2,492                                       |
| 2019 and Thereafter   | 57                  | 5,202   | 29,136                                      |
| Total                 | 72                  | 6,005   | \$ 33,977                                   |

<sup>(1)</sup> Percent difference in prior rents charged for same space. Reset rents include estimated recurring expense reimbursements and exclude lease value amortization.

<sup>(2)</sup> Annualized rental revenue is calculated as the annualized contractual rents, as of June 30, 2016, from tenants pursuant to existing leases, including straight line rent adjustments and excluding lease value amortization, and further adjusted for tenant concessions, including free rent and amounts reimbursed to tenants, plus estimated recurring expense reimbursements from tenants pursuant to existing leases.

Mapunapuna Ground Leases, Honolulu, HI  
129 leasable land parcels and easements  
Approximate Square Feet: 6,541,000



# PROPERTY DETAIL



## PROPERTY DETAIL

As of June 30, 2016

(dollars and square feet in thousands)

## EXHIBIT A

| Property  | City             | State | Number of<br>Buildings &<br>Contiguous<br>Land Parcels <sup>(1)</sup> | Property Type       | Square Feet | % Leased | Annualized<br>Rental<br>Revenue <sup>(2)</sup> | Undepreciated<br>Carrying Value <sup>(3)</sup> | Depreciated<br>Carrying Value <sup>(4)</sup> | Date<br>Acquired <sup>(5)</sup> | Weighted<br>Average Year<br>Built or<br>Substantially<br>Renovated <sup>(6)</sup> |
|---|------------------|-------|---|---------------------|-------------|----------|--|--|--|---------------------------------|---|
| 1. Inverness Center                                 | Birmingham       | AL    | 3   | Mainland Office     | 448         | 100.0%   | \$ 4,843                                       | \$ 38,631                                      | \$ 34,115                                    | 12/9/2010; 4/17/2015            | 1985  |
| 2. Cinram Distribution Center                       | Huntsville       | AL    | 1   | Mainland Industrial | 1,371       | 100.0%   | 9,210  | 73,001   | 66,545                                       | 8/31/2012                       | 2007  |
| 3. 4501 Industrial Drive                            | Fort Smith       | AR    | 1   | Mainland Industrial | 64          | 100.0%   | 465  | 4,385  | 4,261  | 1/29/2015                       | 2013  |
| 4. 16001 North 28th Avenue                          | Phoenix          | AZ    | 1   | Mainland Office     | 106         | 100.0%   | 1,845  | 13,669   | 13,350                                       | 4/16/2015                       | 2007  |
| 5. 2149 West Dunlap Avenue                          | Phoenix          | AZ    | 1   | Mainland Office     | 123         | 100.0%   | 2,437  | 20,032   | 19,521                                       | 1/29/2015                       | 1983  |
| 6. Regent's Center                                  | Tempe            | AZ    | 2   | Mainland Office     | 101         | 100.0%   | 1,847  | 12,309   | 7,828  | 6/30/1999                       | 1988  |
| 7. Campbell Place                                   | Carlsbad         | CA    | 2   | Mainland Office     | 95          | 100.0%   | 2,598  | 21,314   | 19,632                                       | 9/21/2012                       | 2007  |
| 8. Folsom Corporate Center                          | Folsom           | CA    | 1   | Mainland Office     | 96          | 100.0%   | 3,418  | 28,954   | 25,447                                       | 12/17/2010                      | 2009  |
| 9. Bayside Technology Park                          | Fremont          | CA    | 1   | Mainland Office     | 101         | 100.0%   | 2,162  | 10,581   | 9,660  | 3/19/2009                       | 1990  |
| 10. 100 Redwood Shores Parkway                      | Redwood City     | CA    | 1   | Mainland Office     | 63          | 100.0%   | 3,095  | 35,531   | 34,708                                       | 1/29/2015                       | 2014  |
| 11. 3875 Alhambra Road                              | Rocklin          | CA    | 1   | Mainland Office     | 19          | 100.0%   | 401  | 4,180  | 4,039  | 1/29/2015                       | 1991  |
| 12. 2090 Fortune Drive                              | San Jose         | CA    | 1   | Mainland Office     | 72          | 100.0%   | 914  | 7,698  | 7,627  | 1/29/2015                       | 2014  |
| 13. 2115 ONel Drive                                 | San Jose         | CA    | 1   | Mainland Office     | 99          | 100.0%   | 3,138  | 33,098   | 32,209                                       | 1/29/2015                       | 2013  |
| 14. 6448-6450 Via Del Oro                           | San Jose         | CA    | 1   | Mainland Office     | 76          | 100.0%   | 1,736  | 14,569   | 14,160                                       | 1/29/2015                       | 1983  |
| 15. North First Street                              | San Jose         | CA    | 1   | Mainland Office     | 64          | 100.0%   | 1,957  | 14,453   | 13,955                                       | 12/23/2013                      | 2013  |
| 16. Rio Robles Drive                                | San Jose         | CA    | 3   | Mainland Office     | 186         | 100.0%   | 4,589  | 44,925   | 43,155                                       | 12/23/2013                      | 2011  |
| 17. 2450 & 2500 Walsh Avenue                        | Santa Clara      | CA    | 2   | Mainland Office     | 132         | 100.0%   | 4,489  | 44,797   | 43,501                                       | 1/29/2015                       | 2014  |
| 18. 3250 and 3260 Jay Street                        | Santa Clara      | CA    | 2   | Mainland Office     | 149         | 100.0%   | 5,976  | 63,958   | 62,114                                       | 5/9/16                          | 2013  |
| 19. 350 West Java Drive                             | Sunnyvale        | CA    | 1   | Mainland Office     | 96          | 100.0%   | 2,859  | 24,012   | 22,870                                       | 11/15/2012                      | 2012  |
| 20. 7958 South Chester Street                       | Centennial       | CO    | 1   | Mainland Office     | 168         | 100.0%   | 4,740  | 30,977   | 30,152                                       | 1/29/2015                       | 2000  |
| 21. 350 Spectrum Loop                               | Colorado Springs | CO    | 1   | Mainland Office     | 156         | 100.0%   | 2,713  | 23,265   | 22,551                                       | 1/29/2015                       | 2000  |
| 22. 955 Arcopiazza Drive                            | Colorado Springs | CO    | 1   | Mainland Industrial | 125         | 100.0%   | 896  | 8,212  | 7,949  | 1/29/2015                       | 2012  |
| 23. 13400 East 39th Avenue and 3800 Wheeling Street | Denver           | CO    | 2   | Mainland Industrial | 394         | 100.0%   | 1,345  | 16,101   | 15,639                                       | 1/29/2015                       | 1996  |
| 24. 333 Inverness Drive South                       | Englewood        | CO    | 1   | Mainland Office     | 140         | 100.0%   | 2,389  | 15,446   | 14,215                                       | 6/15/2012                       | 1998  |
| 25. 150 Greenhorn Drive                             | Pueblo           | CO    | 1   | Mainland Industrial | 54          | 100.0%   | 545  | 4,377  | 4,229  | 1/29/2015                       | 2013  |
| 26. 2 Tower Drive                                   | Wallingford      | CT    | 1   | Mainland Industrial | 62          | 100.0%   | 400  | 3,643  | 3,110  | 10/24/2006                      | 1978  |
| 27. 1 Targeting Center                              | Windsor          | CT    | 1   | Mainland Office     | 97          | 100.0%   | 1,119  | 9,076  | 8,368  | 7/20/2012                       | 1999  |
| 28. 235 Great Pond Road                             | Windsor          | CT    | 1   | Mainland Industrial | 171         | 100.0%   | 1,383  | 11,869   | 10,942                                       | 7/20/2012                       | 2004  |
| 29. 10350 NW 112th Avenue                           | Miami            | FL    | 1   | Mainland Office     | 79          | 100.0%   | 3,077  | 23,469   | 22,762                                       | 1/29/2015                       | 2002  |
| 30. 2100 NW 82nd Ave                                | Miami            | FL    | 1   | Mainland Industrial | 37          | 100.0%   | 265  | 1,897  | 1,260  | 3/19/1998                       | 2013  |

- (1) Land parcels include four easements.
- (2) Annualized rental revenue is calculated as the annualized contractual rents, as of June 30, 2016, from tenants pursuant to existing leases, including straight line rent adjustments and excluding lease value amortization, and further adjusted for tenant concessions, including free rent and amounts reimbursed to tenants, plus estimated recurring expense reimbursements from tenants pursuant to existing leases.
- (3) Excludes the value of real estate intangibles.
- (4) 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 February 2012 in connection with our initial public offering.
- (5) Weighted based on square feet.



## PROPERTY DETAIL (CONTINUED)

As of June 30, 2016

(dollars and square feet in thousands)

## EXHIBIT A

| Property                         | City         | State | Number of<br>Buildings &<br>Contiguous<br>Land Parcels <sup>(1)</sup> | Property Type       | Square Feet | % Leased | Annualized<br>Rental<br>Revenue <sup>(2)</sup> | Undepreciated<br>Carrying Value <sup>(3)</sup> | Depreciated<br>Carrying Value <sup>(3)</sup> | Date<br>Acquired <sup>(4)</sup> | Weighted<br>Average Year<br>Built or<br>Substantially<br>Renovated <sup>(5)</sup> |
|----------------------------------|--------------|-------|---|---------------------|-------------|----------|--|--|--|---------------------------------|---|
| 31. One Primera Parkway          | Duluth       | GA    | 1   | Mainland Office     | Building    | 344      | 100.0%   | 5,221  | 57,332                                       | 1/29/2015                       | 2013  |
| 32. King Street Ground Lease     | Honolulu     | HI    | 1   | Hawai Properties    | Land        | 21       | 100.0%   | 236  | 1,342  | 12/5/2003                       | -   |
| 33. Mapunapuna Ground Leases     | Honolulu     | HI    | 129   | Hawai Properties    | Land        | 6,541    | 100.0%   | 48,515   | 344,432                                      | 12/5/2003; 11/21/2012           | -   |
| 34. Safeway Shopping Center      | Honolulu     | HI    | 3   | Hawai Properties    | Land        | 158      | 100.0%   | 2,637  | 11,604                                       | 12/5/2003                       | -   |
| 35. Salt Lake Shopping Center    | Honolulu     | HI    | 2   | Hawai Properties    | Land        | 334      | 100.0%   | 1,678  | 9,660  | 12/5/2003                       | -   |
| 36. Sand Island Buildings        | Honolulu     | HI    | 8   | Hawai Properties    | Building    | 295      | 99.0%  | 4,929  | 39,180                                       | 12/5/2003; 11/23/2004           | 1974  |
| 37. Sand Island Ground Leases    | Honolulu     | HI    | 40  | Hawai Properties    | Land        | 2,152    | 100.0%   | 15,829   | 92,435                                       | 12/5/2003                       | -   |
| 38. Waiala Ground Leases         | Honolulu     | HI    | 2   | Hawai Properties    | Land        | 45       | 0.0%   | -  | 2,567  | 12/5/2003                       | -   |
| 39. Campbell Buildings           | Kapolei      | HI    | 5   | Hawai Properties    | Building    | 285      | 100.0%   | 3,286 <sup>(6)</sup>                           | 24,153                                       | 6/15/2005                       | 1978  |
| 40. Campbell Easements           | Kapolei      | HI    | 3   | Hawai Properties    | Land        | -        | -  | -  | 10,496                                       | 6/15/2005                       | -   |
| 41. Campbell Ground Leases       | Kapolei      | HI    | 35  | Hawai Properties    | Land        | 7,901    | 87.4%  | 11,591   | 102,974                                      | 12/5/2003                       | -   |
| 42. Waipahu Ground Lease         | Waipahu      | HI    | 1   | Hawai Properties    | Land        | 44       | 100.0%   | 248  | 717  | 12/5/2003                       | -   |
| 43. 5500 SE Delaware Avenue      | Ankeny       | IA    | 1   | Mainland Industrial | Building    | 450      | 100.0%   | 1,687  | 19,193                                       | 12/9/2015                       | 2012  |
| 44. 951 Trails Road              | Eldridge     | IA    | 1   | Mainland Industrial | Building    | 172      | 100.0%   | 1,021  | 8,560  | 4/2/2007                        | 2001  |
| 45. 8305 NW 62nd Avenue          | Johnston     | IA    | 1   | Mainland Office     | Building    | 199      | 100.0%   | 3,240  | 34,008                                       | 12/9/2015                       | 2011  |
| 46. 2300 N 33rd Ave              | Newton       | IA    | 1   | Mainland Industrial | Building    | 317      | 100.0%   | 1,377  | 13,899                                       | 9/29/2008                       | 2008  |
| 47. 7121 South Fifth Avenue      | Pocahontas   | ID    | 1   | Mainland Industrial | Building    | 33       | 100.0%   | 370  | 4,626  | 12/9/2015                       | 2007  |
| 48. 400 South Jefferson Street   | Chicago      | IL    | 1   | Mainland Office     | Building    | 248      | 100.0%   | 9,955  | 90,479                                       | 12/9/2015                       | 2012  |
| 49. 1230 West 171st Street       | Harvey       | IL    | 1   | Mainland Industrial | Building    | 40       | 100.0%   | 430  | 2,473  | 12/9/2015                       | 2004  |
| 50. 475 Bond Street              | Lincolnshire | IL    | 1   | Mainland Industrial | Building    | 223      | 100.0%   | 1,604  | 20,957                                       | 12/9/2015                       | 2000  |
| 51. 1415 West Diehl Road         | Naperville   | IL    | 1   | Mainland Office     | Building    | 820      | 100.0%   | 16,766   | 188,475                                      | 4/1/2014                        | 2001  |
| 52. 5156 American Road           | Rockford     | IL    | 1   | Mainland Industrial | Building    | 38       | 100.0%   | 173  | 1,929  | 12/9/2015                       | 1996  |
| 53. 440 North Fairway Drive      | Vernon Hills | IL    | 1   | Mainland Office     | Building    | 100      | 100.0%   | 1,679  | 13,977                                       | 10/15/2013                      | 2009  |
| 54. Capital Tower                | Topeka       | KS    | 1   | Mainland Office     | Building    | 144      | 100.0%   | 3,353  | 17,616                                       | 7/30/2012                       | 2006  |
| 55. The Altium at Criderport III | Erlanger     | KY    | 1   | Mainland Office     | Building    | 86       | 100.0%   | 1,160  | 13,032                                       | 6/30/2003                       | 1999  |
| 56. 17200 Manchac Park Lane      | Baton Rouge  | LA    | 1   | Mainland Industrial | Building    | 125      | 100.0%   | 884  | 10,560                                       | 12/9/2015                       | 2014  |
| 57. 209 South Bud Street         | Lafayette    | LA    | 1   | Mainland Industrial | Building    | 60       | 100.0%   | 511  | 5,249  | 12/9/2015                       | 2010  |
| 58. 300 and 330 Billerica Road   | Chelmsford   | MA    | 2   | Mainland Office     | Building    | 209      | 53.1%  | 1,501  | 18,490                                       | 11/8/2011; 9/27/2012            | 2001  |
| 59. 111 Powdermill Road          | Maynard      | MA    | 1   | Mainland Office     | Building    | 287      | 0.0%   | -  | 29,899                                       | 3/30/2007                       | 1990  |
| 60. 314 Ellison Road             | Westford     | MA    | 1   | Mainland Office     | Building    | 175      | 100.0%   | 4,560  | 33,944                                       | 12/9/2015                       | 2013  |

(1) Land parcels include four easements.

(2) Annualized rental revenue is calculated as the annualized contractual rents, as of June 30, 2016, from tenants pursuant to existing leases, including straight line rent adjustments and excluding lease value amortization, and further adjusted for tenant concessions, including free rent and amounts reimbursed to tenants, plus estimated recurring expense reimbursements from tenants pursuant to existing leases.

(3) Excludes the value of real estate intangibles.

(4) 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 February 2012 in connection with our initial public offering.

(5) Weighted based on square feet.

(6) Excludes annual tenant percentage rent generally received and recognized during the first quarter of each year for the previous year. Percentage rent recognized during the first quarter of 2016 totaled \$846.



# PROPERTY DETAIL (CONTINUED)

As of June 30, 2016

(dollars and square feet in thousands)

## EXHIBIT A

| Property                          | City         | State | Number of<br>Buildings &<br>Contiguous<br>Land Parcels <sup>(1)</sup> | Property Type       | Square Feet | % Leased | Annualized<br>Rental<br>Revenue <sup>(2)</sup> | Undepreciated<br>Carrying Value <sup>(3)</sup> | Depreciated<br>Carrying Value <sup>(3)</sup> | Date<br>Acquired <sup>(4)</sup> | Weighted<br>Average Year<br>Built or<br>Substantially<br>Renovated <sup>(5)</sup> |
|-----------------------------------|--------------|-------|---|---------------------|-------------|----------|--|--|--|---------------------------------|---|
| 61. 7001 Columbia Gateway Drive   | Columbia     | MD    | 1   | Mainland Office     | 120         | 100.0%   | 3,673  | 28,292   | 26,140                                       | 12/21/2012                      | 2008  |
| 62. 4000 Principio Parkway        | North East   | MD    | 1   | Mainland Industrial | 1,195       | 100.0%   | 5,803  | 75,756   | 73,223                                       | 1/29/2015                       | 2012  |
| 63. 3550 Green Court              | Ann Arbor    | MI    | 1   | Mainland Office     | 82          | 100.0%   | 1,625  | 13,019   | 12,090                                       | 12/21/2012                      | 1998  |
| 64. 3800 Midlink Drive            | Kalamazoo    | MI    | 1   | Mainland Industrial | 158         | 100.0%   | 2,185  | 43,229   | 41,791                                       | 1/29/2015                       | 2014  |
| 65. 2401 Cram Avenue SE           | Bendigo      | MN    | 1   | Mainland Industrial | 22          | 100.0%   | 183  | 2,237  | 2,161  | 1/29/2015                       | 2013  |
| 66. 110 Stanbury Industrial Drive | Brookfield   | MO    | 1   | Mainland Industrial | 16          | 100.0%   | 189  | 2,059  | 1,993  | 1/29/2015                       | 2012  |
| 67. 2555 Grand Boulevard          | Kansas City  | MO    | 1   | Mainland Office     | 596         | 100.0%   | 17,933   | 78,154   | 76,461                                       | 7/31/2015                       | 2003  |
| 68. 628 Patton Avenue             | Asheville    | NC    | 1   | Mainland Industrial | 33          | 100.0%   | 199  | 2,014  | 1,960  | 1/29/2015                       | 1994  |
| 69. 2300 and 2400 Yorkmont Road   | Charlotte    | NC    | 2   | Mainland Office     | 284         | 100.0%   | 6,101  | 43,830   | 42,339                                       | 1/29/2015                       | 1995  |
| 70. 3900 NE 6th Street            | Minot        | ND    | 1   | Mainland Industrial | 24          | 100.0%   | 341  | 3,923  | 3,809  | 1/29/2015                       | 2013  |
| 71. 1415 West Commerce Way        | Lincoln      | NE    | 1   | Mainland Industrial | 222         | 100.0%   | 1,094  | 10,718   | 10,416                                       | 1/29/2015                       | 2000  |
| 72. 18010 and 18020 Burt Street   | Omaha        | NE    | 2   | Mainland Office     | 203         | 100.0%   | 3,997  | 49,833   | 48,160                                       | 1/29/2015                       | 2012  |
| 73. 309 Duff's Lane               | Burlington   | NJ    | 1   | Mainland Industrial | 634         | 100.0%   | 3,303  | 53,000   | 51,179                                       | 1/29/2015                       | 2001  |
| 74. 500 Charles Ewing Boulevard   | Ewing        | NJ    | 1   | Mainland Office     | 250         | 100.0%   | 5,935  | 74,374   | 71,928                                       | 1/29/2015                       | 2012  |
| 75. 725 Darlington Avenue         | Mahwah       | NJ    | 1   | Mainland Industrial | 167         | 100.0%   | 2,292  | 18,012   | 17,477                                       | 4/9/2014                        | 2010  |
| 76. One Jefferson Road            | Parsippany   | NJ    | 1   | Mainland Office     | 100         | 100.0%   | 4,216  | 19,107   | 18,858                                       | 11/13/2015                      | 2009  |
| 77. 299 Jefferson Road            | Parsippany   | NJ    | 1   | Mainland Office     | 151         | 100.0%   | 4,031  | 30,970   | 30,047                                       | 1/29/2015                       | 2011  |
| 78. 2375 East Newlands Road       | Ferndley     | NV    | 1   | Mainland Industrial | 338         | 100.0%   | 1,439  | 18,700   | 18,087                                       | 1/29/2015                       | 2007  |
| 79. 55 Commerce Avenue            | Albany       | NV    | 1   | Mainland Industrial | 125         | 100.0%   | 1,091  | 11,284   | 10,926                                       | 1/29/2015                       | 2013  |
| 80. 8687 Carling Road             | Liverpool    | NV    | 1   | Mainland Office     | 38          | 100.0%   | 748  | 5,564  | 4,258  | 1/6/2006                        | 2007  |
| 81. 1212 Pilsford - Victor Road   | Pilsford     | NV    | 1   | Mainland Office     | 55          | 100.0%   | 1,024  | 5,213  | 4,114  | 11/30/2004                      | 2003  |
| 82. 500 Canal View Boulevard      | Rochester    | NV    | 1   | Mainland Office     | 95          | 100.0%   | 1,563  | 15,145   | 10,882                                       | 1/6/2006                        | 1997  |
| 83. 32150 JustImagine Drive       | Avon         | OH    | 1   | Mainland Industrial | 645         | 100.0%   | 3,479  | 25,480   | 21,358                                       | 5/29/2009                       | 2000  |
| 84. 1415 Industrial Drive         | Chillicothe  | OH    | 1   | Mainland Industrial | 44          | 100.0%   | 362  | 4,465  | 4,349  | 1/29/2015                       | 2012  |
| 85. 2231 Schrock Road             | Columbus     | OH    | 1   | Mainland Office     | 42          | 100.0%   | 692  | 5,190  | 5,032  | 1/29/2015                       | 1999  |
| 86. 5300 Centerpoint Parkway      | Groveport    | OH    | 1   | Mainland Industrial | 581         | 100.0%   | 2,877  | 32,563   | 31,505                                       | 1/29/2015                       | 2014  |
| 87. 200 Orange Point Drive        | Lewis Center | OH    | 1   | Mainland Industrial | 125         | 100.0%   | 1,038  | 9,913  | 9,608  | 1/29/2015                       | 2013  |
| 88. 301 Commerce Drive            | South Point  | OH    | 1   | Mainland Industrial | 75          | 100.0%   | 486  | 5,130  | 4,969  | 1/29/2015                       | 2013  |
| 89. 2820 Stele Highway 31         | McAlesser    | OK    | 1   | Mainland Industrial | 24          | 100.0%   | 218  | 2,537  | 2,458  | 1/29/2015                       | 2012  |
| 90. 501 Ridge Avenue              | Hanover      | PA    | 1   | Mainland Industrial | 502         | 100.0%   | 3,739  | 27,030   | 22,701                                       | 9/24/2008                       | 1965  |

(1) Land parcels include four easements.

(2) Annualized rental revenue is calculated as the annualized contractual rents, as of June 30, 2016, from tenants pursuant to existing leases, including straight line rent adjustments and excluding lease value amortization, and further adjusted for tenant concessions, including free rent and amounts reimbursed to tenants, plus estimated recurring expense reimbursements from tenants pursuant to existing leases.

(3) Excludes the value of real estate intangibles.

(4) 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 February 2012 in connection with our initial public offering.

(5) Weighted based on square feet.



## PROPERTY DETAIL (CONTINUED)

As of June 30, 2016

(dollars and square feet in thousands)

## EXHIBIT A

| Property   | City           | State | Number of<br>Buildings &<br>Contiguous<br>Land Parcels <sup>(1)</sup> | Property Type       | Square Feet   | % Leased     | Annualized<br>Rental<br>Revenue <sup>(2)</sup> | Undepreciated<br>Carrying Value <sup>(3)</sup> | Depreciated<br>Carrying Value <sup>(3)</sup> | Date<br>Acquired <sup>(4)</sup> | Weighted<br>Average Year<br>Built or<br>Substantially<br>Renovated <sup>(5)</sup> |
|--|----------------|-------|---|---------------------|---------------|--------------|--|--|--|---------------------------------|---|
| 91. 8800 Tinicum Boulevard                                   | Philadelphia   | PA    | 1   | Mainland Office     | 441           | 100.0%       | 6,451  | 71,016   | 68,639                                       | 1/29/2015                       | 2000  |
| 92. 9680 Old Bales Road                                      | Fort Mill      | SC    | 1   | Mainland Office     | 60            | 100.0%       | 772  | 8,857  | 8,571  | 1/29/2015                       | 2007  |
| 93. 996 Paragon Way  | Rock Hill      | SC    | 1   | Mainland Industrial | 945           | 100.0%       | 3,053  | 38,520   | 37,248                                       | 1/29/2015                       | 2014  |
| 94. 510 John Dood Road                                       | Spartanburg    | SC    | 1   | Mainland Industrial | 1,016         | 100.0%       | 4,664  | 61,298   | 59,244                                       | 1/29/2015                       | 2012  |
| 95. 4836 Hickory Hill Road                                   | Memphis        | TN    | 1   | Mainland Industrial | 646           | 100.0%       | 1,651  | 12,288   | 11,882                                       | 12/23/2014                      | 2007  |
| 96. 2020 Joe B. Jackson Parkway                              | Murfreesboro   | TN    | 1   | Mainland Industrial | 1,016         | 100.0%       | 5,045  | 62,759   | 60,802                                       | 1/29/2015                       | 2012  |
| 97. 16001 North Dallas Parkway                               | Addison        | TX    | 2   | Mainland Office     | 554           | 100.0%       | 14,175   | 105,724  | 97,570                                       | 1/16/2013                       | 1996  |
| 98. 2115-2116 East Randol Mill Road                          | Arlington      | TX    | 1   | Mainland Office     | 183           | 100.0%       | 1,031  | 13,242   | 12,716                                       | 1/29/2015                       | 1989  |
| 99. Research Park  | Austin         | TX    | 2   | Mainland Industrial | 149           | 100.0%       | 2,376  | 15,282   | 9,482  | 6/16/1999                       | 1999  |
| 100. 1001 Noble Energy Way                                   | Houston        | TX    | 1   | Mainland Office     | 497           | 100.0%       | 13,898   | 121,726  | 117,542                                      | 1/29/2015                       | 1998  |
| 101. 10451 Clay Road   | Houston        | TX    | 1   | Mainland Office     | 97            | 100.0%       | 2,789  | 27,012   | 26,240                                       | 1/29/2015                       | 2013  |
| 102. 6380 Rogerdale Road                                     | Houston        | TX    | 1   | Mainland Office     | 206           | 100.0%       | 5,530  | 46,828   | 45,651                                       | 1/29/2015                       | 2006  |
| 103. 4421 W. John Corp. Freeway                              | Irving         | TX    | 1   | Mainland Office     | 54            | 100.0%       | 635  | 5,974  | 3,364  | 3/19/1998                       | 1995  |
| 104. 8675-8701-8711 Freepoint Pkwy and 8901 Esters Boulevard | Irving         | TX    | 3   | Mainland Office     | 458           | 100.0%       | 6,038  | 81,610   | 79,155                                       | 1/29/2015                       | 1990  |
| 105. 1511 East Common Street                                 | New Braunfels  | TX    | 1   | Mainland Office     | 63            | 100.0%       | 1,070  | 14,412   | 13,997                                       | 1/29/2015                       | 2005  |
| 106. 2900 West Plano Parkway                                 | Piano          | TX    | 1   | Mainland Office     | 191           | 100.0%       | 1,420  | 27,491   | 26,702                                       | 1/29/2015                       | 1998  |
| 107. 3400 West Plano Parkway                                 | Plano          | TX    | 1   | Mainland Office     | 235           | 100.0%       | 1,485  | 34,392   | 33,280                                       | 1/29/2015                       | 1994  |
| 108. 19100 Ridgewood Parkway                                 | San Antonio    | TX    | 1   | Mainland Office     | 618           | 100.0%       | 13,809   | 192,538  | 185,881                                      | 1/29/2015                       | 2008  |
| 109. 3600 Wiseman Boulevard                                  | San Antonio    | TX    | 1   | Mainland Office     | 100           | 100.0%       | 3,003  | 15,443   | 14,450                                       | 3/19/2013                       | 2004  |
| 110. 1800 Novell Place                                       | Provo          | UT    | 1   | Mainland Office     | 406           | 100.0%       | 7,940  | 85,640   | 77,581                                       | 6/1/2012                        | 2000  |
| 111. 4885-4931 North 300 West                                | Provo          | UT    | 2   | Mainland Office     | 125           | 100.0%       | 3,649  | 29,338   | 27,176                                       | 2/28/2013                       | 2009  |
| 112. 1095 South 4800 West                                    | Salt Lake City | UT    | 1   | Mainland Industrial | 150           | 100.0%       | 1,107  | 8,413  | 8,168  | 1/29/2015                       | 2012  |
| 113. 1901 Meadowville Technology Parkway                     | Chester        | VA    | 1   | Mainland Industrial | 1,016         | 100.0%       | 6,343  | 71,511   | 69,120                                       | 1/29/2015                       | 2012  |
| 114. 501 South 5th Street                                    | Richmond       | VA    | 1   | Mainland Office     | 311           | 100.0%       | 10,861   | 123,672  | 115,436                                      | 7/2/2013                        | 2009  |
| 115. Parham Place  | Richmond       | VA    | 3   | Mainland Office     | 89            | 100.0%       | 1,616  | 9,775  | 9,608  | 7/20/2015                       | 2013  |
| 116. 1751 Blue Hills Drive                                   | Roanoke        | VA    | 1   | Mainland Industrial | 399           | 100.0%       | 1,874  | 23,760   | 23,049                                       | 1/29/2015                       | 2003  |
| 117. Orbital Sciences Campus                                 | Sterling       | VA    | 3   | Mainland Office     | 337           | 100.0%       | 10,359   | 72,165   | 66,589                                       | 11/29/2012                      | 2000  |
| 118. 181 Battelle Drive                                      | Winchester     | VA    | 1   | Mainland Industrial | 308           | 100.0%       | 1,463  | 14,341   | 11,058                                       | 4/20/2006                       | 1987  |
| 119. 351, 401, 501 Elliot Ave West                           | Seattle        | WA    | 3   | Mainland Office     | 300           | 100.0%       | 12,873   | 129,441  | 126,097                                      | 1/29/2015                       | 2000  |
|  |                |       | <b>360</b>  |                     | <b>44,706</b> | <b>96.8%</b> | <b>\$ 450,128</b>                              | <b>\$ 4,123,941</b>                            | <b>\$ 3,920,333</b>                          |                                 | <b>2004</b>   |

(1) Land parcels include four easements.

(2) Annualized rental revenue is calculated as the annualized contractual rents, as of June 30, 2016, from tenants pursuant to existing leases, including straight line rent adjustments and excluding lease value amortization, and further adjusted for tenant concessions, including free rent and amounts reimbursed to tenants, plus estimated recurring expense reimbursements from tenants pursuant to existing leases.

(3) Excludes the value of real estate intangibles.

(4) 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 February 2012 in connection with our initial public offering.

(5) Weighted based on square feet.