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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT  
PURSUANT TO SECTION 13 or 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

**Date of Report (Date of earliest event reported):  
August 8, 2017**

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**Easterly Government Properties, Inc.**  
(Exact name of Registrant as Specified in Its Charter)

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**Maryland**  
(State or Other Jurisdiction  
of Incorporation)

**001-36834**  
(Commission  
File Number)

**47-2047728**  
(IRS Employer  
Identification No.)

**2101 L Street NW, Suite 650, Washington, D.C.**  
(Address of Principal Executive Offices)

**20037**  
(Zip Code)

**Registrant's Telephone Number, Including Area Code: (202) 595-9500**

**Not Applicable**  
(Former Name or Former Address, if Changed Since Last Report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 2.02 Results of Operations and Financial Condition.**

On August 8, 2017, we issued a press release announcing our results of operations for the second quarter ended June 30, 2017. A copy of this press release as well as a copy of our supplemental information package are available on our website and are attached hereto as Exhibits 99.1 and 99.2 and incorporated herein by reference. The information in this Item 2.02 as well as the attached Exhibits 99.1 and 99.2 are being furnished and shall not be deemed “filed” for any purpose, including for the purposes of Section 18 of the Securities and Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, and shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act regardless of any general incorporation language in such filing.

We will host a webcast and conference call at 9:30 a.m. Eastern Daylight time on August 8, 2017, to review our second quarter 2017 performance, discuss recent events and conduct a question-and-answer session. The number to call is 1-877-705-6003 (domestic) and 1-201-493-6725 (international). A live webcast will be available in the Investor Relations section of our website. A replay of the conference call will be available through August 22, 2017, by dialing 1-844-512-2921 (domestic) and 1-412-317-6671 (international) and entering the passcode 13666470. Please note that the full text of the press release and supplemental information package are available through our website at [ir.easterlyreit.com](http://ir.easterlyreit.com). The information contained on our website is not incorporated by reference herein.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits:

<u>Exhibit Number</u>	<u>Description</u>
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99.1	Press release dated August 8, 2017.
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99.2	Easterly Government Properties, Inc. Supplemental Information Package for the quarter ended June 30, 2017.
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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**EASTERLY GOVERNMENT  
PROPERTIES, INC.**

By: /s/ William C. Trimble, III  
Name: William C. Trimble, III  
Title: Chief Executive Officer and President

Date: August 8, 2017



## EASTERLY GOVERNMENT PROPERTIES REPORTS SECOND QUARTER 2017 RESULTS

WASHINGTON, D.C. – August 8, 2017 – Easterly Government Properties, Inc. (NYSE: DEA) (the “Company” or “Easterly”), a fully integrated real estate investment trust (“REIT”) focused primarily on the acquisition, development and management of Class A commercial properties leased to the U.S. Government, today announced its results of operations for the quarter ended June 30, 2017.

### Highlights for the Quarter Ended June 30, 2017

- Net income was \$1.0 million, or \$0.02 per share on a fully diluted basis
- FFO was \$14.5 million, or \$0.31 per share on a fully diluted basis
- FFO, as Adjusted was \$13.5 million, or \$0.29 per share on a fully diluted basis
- CAD was \$11.4 million
- Announced the lease award for the development of a 52,870-square foot Food and Drug Administration (FDA) laboratory in Lenexa, Kansas (“FDA - Lenexa”)
- Completed the acquisition of the previously announced 327,614-square foot Department of Veterans Affairs (VA) Ambulatory Care Center in Loma Linda, California (“VA - Loma Linda”)
- Completed a \$175.0 million private placement of senior unsecured notes, comprised of three tranches: \$95.0 million 4.05% senior notes (“Series A”) due May 25, 2027; \$50.0 million 4.15% senior notes (“Series B”) due May 25, 2029; and \$30.0 million 4.30% senior notes (“Series C”) due May 25, 2032, with a weighted average maturity of 11.4 years and a weighted average interest rate of 4.12%
- Completed a \$127.5 million, 10-year, non-amortizing mortgage loan with a fixed interest rate of 3.59% per annum. The loan is secured by the 327,614-square foot VA - Loma Linda ambulatory care center
- Portfolio occupancy at 100%

“As Easterly continues to grow the Company through the acquisition and development of U.S. Government leased assets, we feel the quality of the overall portfolio is only getting stronger,” said William C. Trimble, III, Easterly’s Chief Executive Officer. “In this quarter, you have seen the Company introduce new assets, new tenants, and new development opportunities, all working together to extend the Company’s overall lease duration, while at the same time shortening the average age of the portfolio. As the Company’s CEO, I am very proud of our team for the success of this quarter.”

### Financial Results for the Six Months Ended June 30, 2017

Net income was \$2.4 million, or \$0.05 per share on a fully diluted basis for the six months ended June 30, 2017

FFO was \$28.9 million, or \$0.63 per share on a fully diluted basis for the six months ended June 30, 2017

FFO, as Adjusted was \$27.1 million, or \$0.59 per share on a fully diluted basis for the six months ended June 30, 2017

CAD was \$23.5 million for the six months ended June 30, 2017

## Portfolio Operations

As of June 30, 2017, the Company wholly owned 45 properties in the United States, encompassing approximately 3.5 million square feet in the aggregate, including 42 properties that were leased primarily to U.S. Government tenant agencies and three properties that were entirely leased to private tenants. As of June 30, 2017, the portfolio had an average age of 12.1 years, was 100% occupied, and had a weighted average remaining lease term of 6.8 years. With approximately 15.0% of leases based on square footage, or 14.3% based on total annualized lease income scheduled to expire before 2019, Easterly expects to continue to provide a highly visible and stable cash-flow stream.

## Completed Acquisitions

On June 1, 2017, the Company acquired a 327,614-square foot Department of Veterans Affairs Ambulatory Care Center located in Loma Linda, California. The outpatient clinic was constructed in 2016 and is 100% leased to the VA. The lease has nineteen years remaining on an initial twenty-year non-cancelable firm term lease, which expires in May 2036. VA - Loma Linda is a state-of-the-art ambulatory care facility that provides a comprehensive solution for the outpatient needs of U.S. veterans. The VA - Loma Linda Ambulatory Care Center, as part of a larger VA Loma Linda Healthcare System, provides a wide range of healthcare services to the approximately 72,000 veterans receiving care through the network. VA - Loma Linda is projected to account for 50% of all VA outpatient visits in the region and offers primary care, women's healthcare, outpatient mental health services, outpatient physical medicine and rehabilitation, dental, employee health, imaging services and blood draw services.

## Announced Developments

On May 8, 2017, Easterly announced the lease award for the development of a 52,870-square foot Food and Drug Administration (FDA) laboratory in Lenexa, Kansas. The FDA - Lenexa laboratory will be a relocation of the current Kansas City District Laboratory and will feature a number of upgraded capabilities in order for the FDA to effectively conduct its mission. With an increase in size of approximately 40% over its current location, the new state-of-the-art laboratory will offer services through the following laboratory sections: Total Diet and Pesticides Research Center (TDPRC), Pesticides analysis, Chemotherapeutics / LC-MS Poison screening, Mycotoxins analysis, Drugs and Dietary Supplements analysis, Dioxins analysis, Metals / Elemental Specialization analysis, and Laboratory Administration. The build-out will require highly specialized and specific design features and functionality for the operations being performed in this facility. Upon completion, FDA - Lenexa will be leased to the GSA for a 20-year term.

## Balance Sheet and Capital Markets Activities

As of June 30, 2017, the Company had total indebtedness of \$549.4 million comprised of \$68.0 million outstanding on its senior unsecured revolving credit facility, \$100.0 million outstanding on its senior unsecured term loan facility, \$175.0 million of senior unsecured notes, and \$206.4 million of mortgage debt (excluding unamortized premiums and discounts and deferred financing fees). At June 30, 2017, Easterly's outstanding debt had a weighted average maturity of 8.7 years and a weighted average interest rate of 3.6%. As of June 30, 2017 and pro forma for the full physical settlement of the forward equity sales agreements entered into on March 27, 2017 for 4.95 million shares at a net price of \$17.74 per share, and a full quarter of operations from VA - Loma Linda, which the Company acquired on June 1, 2017, Easterly's net debt to total enterprise value was 30.2% and its net debt to annualized quarterly EBITDA ratio was 5.6x.

### *\$175 Million Private Placement of Senior Unsecured Notes*

On May 25, 2017, the Company completed an inaugural private placement note issuance of an aggregate of \$175.0 million of fixed rate senior unsecured notes. The Notes were issued and sold by Easterly Government Properties, LP, the Company's operating partnership, in the following three tranches:

- Series A: \$95.0 million in senior notes with a fixed interest rate of 4.05%, due May 25, 2027
  - Series B: \$50.0 million in senior notes with a fixed interest rate of 4.15%, due May 25, 2029
  - Series C: \$30.0 million in senior notes with a fixed interest rate of 4.30%, due May 25, 2032
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As of June 30, 2017, the weighted average maturity of the Notes was 11.3 years and the weighted average interest rate remains fixed at 4.12%.

#### *\$127.5 Million Mortgage Financing on VA - Loma Linda*

On June 28, 2017, the Company completed a \$127.5 million mortgage loan that matures in July 2027. The 10-year, non-amortizing loan carries a fixed interest rate of 3.59%. The loan is secured by the 327,614-square foot Department of Veterans Affairs Ambulatory Care Facility in Loma Linda, California, the VA's second largest state-of-the-art outpatient facility in the country, which offers comprehensive medical services to the 72,000 U.S. veterans who live in the region. VA - Loma Linda was acquired by the Company in June 2017 for \$212.5 million and is 100% leased to the VA through May 2036.

"The Company extended the duration of its liabilities by 3.5 years this quarter to 8.7 years," said Darrell Crate, Easterly's Chairman. "Easterly's management team implemented two strong and attractive deals and was able to execute on highly favorable terms. We believe this reduces our exposure to rising rates and locks in an attractive stream of long-term cash flow for investors."

#### **Dividend**

On August 2, 2017 the Board of Directors of Easterly approved a cash dividend for the second quarter of 2017 in the amount of \$0.25 per common share. The dividend will be payable September 28, 2017 to shareholders of record on September 13, 2017.

#### **Outlook for 2017**

The Company is reiterating its expectations for 2017 FFO per share on a fully diluted basis in a range of \$1.25 - \$1.29.

#### **Outlook for the 12 Months Ending December 31, 2017**

	<u>Low</u>	<u>High</u>
Net income (loss) per share – fully diluted basis	\$ 0.13	0.17
Plus: real estate depreciation and amortization	\$ 1.12	1.12
FFO per share – fully diluted basis	\$ 1.25	1.29

This guidance assumes acquisitions of \$350.0 million in 2017, including the OSHA - Sandy acquisition completed in the first quarter, the VA - Loma Linda acquisition completed in the second quarter, as well as the announced VA - South Bend acquisition with an anticipated closing date in Q3 2017, and does not contemplate any dispositions. This guidance is forward-looking and reflects management's view of current and future market conditions. The Company's actual results may differ materially from this guidance.

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## Non-GAAP Supplemental Financial Measures

*This section contains definitions of certain non-GAAP financial measures and other terms that the Company uses in this press release and, where applicable, the reasons why management believes these non-GAAP financial measures provide useful information to investors about the Company's financial condition and results of operations and the other purposes for which management uses the measures. These measures should not be considered in isolation or as a substitute for measures of performance in accordance with GAAP. Additional detail can be found in the Company's most recent annual report on Form 10-K, as well as other documents filed with or furnished to the SEC from time to time.*

**Cash Available for Distribution (CAD)** is a non-GAAP financial measure that is not intended to represent cash flow for the period and is not indicative of cash flow provided by operating activities as determined under GAAP. CAD is calculated in accordance with the current NAREIT definition as FFO minus normalized recurring real estate-related expenditures and other non-cash items and nonrecurring expenditures. CAD is presented solely as a supplemental disclosure because the Company believes it provides useful information regarding the Company's ability to fund its dividends. Because all companies do not calculate CAD the same way, the presentation of CAD may not be comparable to similarly titled measures of other companies.

**EBITDA** is calculated as the sum of net income (loss) before interest expense, income taxes, depreciation and amortization. EBITDA is not intended to represent cash flow for the period, is not presented as an alternative to operating income as an indicator of operating performance, should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP and is not indicative of operating income or cash provided by operating activities as determined under GAAP. EBITDA is presented solely as a supplemental disclosure with respect to liquidity because the Company believes it provides useful information regarding the Company's ability to service or incur debt. Because all companies do not calculate EBITDA the same way, the presentation of EBITDA may not be comparable to similarly titled measures of other companies.

**Funds From Operations (FFO)** is defined by NAREIT as net income (loss), calculated in accordance with GAAP, excluding gains or losses from sales of property and impairment losses on depreciable real estate, plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. FFO is a widely recognized measure of REIT performance. Although FFO is a non-GAAP financial measure, the Company believes that information regarding FFO is helpful to shareholders and potential investors.

**Funds From Operations, as Adjusted (FFO, as Adjusted)** adjusts FFO to present an alternative measure of our operating performance, which, when applicable, excludes the impact of acquisition costs, straight-line rent, above-/below-market leases, non-cash interest expense and non-cash compensation. By excluding income and expense items such as straight-line rent, above-/below-market leases, non-cash interest expense and non-cash compensation from FFO, as Adjusted, the Company believes it provides useful information as these items have no cash impact. In addition, by excluding acquisition related costs the Company believes FFO, as Adjusted provides useful information that is comparable across periods and more accurately reflects the operating performance of the Company's properties.

## Other Definitions

**Fully diluted basis** assumes the exchange of all outstanding common units representing limited partnership interests in the Company's operating partnership, or common units, the full vesting of all shares of restricted stock, and the exchange of all earned and vested LTIP units in the Company's operating partnership for shares of common stock on a one-for-one basis, which is not the same as the meaning of "fully diluted" under GAAP. Fully diluted basis does not include outstanding LTIP units in the Company's operating partnership that are subject to performance criteria that have not yet been met.

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## Conference Call Information

The Company will host a webcast and conference call at 9:30 a.m. Eastern Daylight time on August 8, 2017 to review the second quarter 2017 performance, discuss recent events and conduct a question-and-answer session. The number to call is 1-877-705-6003 (domestic) and 1-201-493-6725 (international). A live webcast will be available in the Investor Relations section of the Company's website. A replay of the conference call will be available through August 22, 2017 by dialing 844-512-2921 (domestic) and 412-317-6671 (international) and entering the passcode 13666470. Please note that the full text of the press release and supplemental information package are available through the Company's website at [ir.easterlyreit.com](http://ir.easterlyreit.com).

## About Easterly Government Properties, Inc.

Easterly Government Properties, Inc. (NYSE:DEA) is based in Washington, D.C., and focuses primarily on the acquisition, development and management of Class A commercial properties that are leased to the U.S. Government. Easterly's experienced management team brings specialized insight into the strategy and needs of mission-critical U.S. Government agencies for properties leased primarily through the U.S. General Services Administration (GSA). For further information on the company and its properties, please visit [www.easterlyreit.com](http://www.easterlyreit.com).

## Contact:

Easterly Government Properties, Inc.  
Lindsay S. Winterhalter  
Vice President, Investor Relations & Operations  
202-596-3947  
[ir@easterlyreit.com](mailto:ir@easterlyreit.com)

## Forward Looking Statements

*We make statements in this press release that are considered "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, which are usually identified by the use of words such as "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "seeks," "should," "will," and variations of such words or similar expressions and include our guidance with respect to Net income (loss) and FFO per share on a fully diluted basis. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and are including this statement in this press release for purposes of complying with those safe harbor provisions. These forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Although we believe that our plans, intentions, expectations, strategies and prospects as reflected in or suggested by those forward-looking statements are reasonable, we can give no assurance that the plans, intentions, expectations or strategies will be attained or achieved. Furthermore, actual results may differ materially from those described in the forward-looking statements and will be affected by a variety of risks and factors that are beyond our control including, without limitation: risks associated with our dependence on the U.S. Government and its agencies for substantially all of our revenues; risks associated with ownership and development of real estate; decreased rental rates or increased vacancy rates; loss of key personnel; general volatility of the capital and credit markets and the market price of our common stock; the risk we may lose one or more major tenants; difficulties in completing and successfully integrating acquisitions; failure of acquisitions or development projects to occur at anticipated levels or to yield anticipated results; risks associated with actual or threatened terrorist attacks; intense competition in the real estate market that may limit our ability to attract or retain tenants or re-lease space; insufficient amounts of insurance or exposure to events that are either uninsured or underinsured; uncertainties and risks related to adverse weather conditions, natural disasters and climate change; exposure to liability relating to environmental and health and safety matters; limited ability to dispose of assets because of the relative illiquidity of real estate investments and the nature of*

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*our assets; exposure to litigation or other claims; risks associated with breaches of our data security; risks associated with our indebtedness; and other risks and uncertainties detailed in the "Risk Factors" section of our Form 10-K for the year ended December 31, 2016, filed with the Securities and Exchange Commission on March 2, 2017 and the factors included under the heading "Risk Factors" in our other public filings. In addition, our qualification as a real estate investment trust involves the application of highly technical and complex provisions of the Internal Revenue Code of 1986, or the Code, and depends on our ability to meet the various requirements imposed by the Code through actual operating results, distribution levels and diversity of stock ownership. We assume no obligation to update publicly any forward looking statements, whether as a result of new information, future events or otherwise.*

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## Balance Sheet

(In thousands, except share amounts)

	<b>June 30, 2017 (unaudited)</b>	<b>December 31, 2016</b>
<b>Assets</b>		
Real estate properties, net	\$ 1,117,039	\$ 901,066
Cash and cash equivalents	6,105	4,845
Restricted cash	3,559	1,646
Deposits on acquisitions	1,000	1,750
Rents receivable	8,284	8,544
Accounts receivable	6,746	5,823
Deferred financing, net	1,437	2,787
Intangible assets, net	127,127	113,795
Interest rate swap	3,199	3,785
Prepaid expenses and other assets	3,120	1,422
<b>Total assets</b>	<b>\$ 1,277,616</b>	<b>\$ 1,045,463</b>
<b>Liabilities</b>		
Revolving credit facility	68,000	212,167
Term loan facility, net	99,132	-
Notes payable, net	173,646	-
Mortgage notes payable, net	204,782	80,806
Intangible liabilities, net	38,175	41,840
Accounts payable and accrued liabilities	14,473	13,784
<b>Total liabilities</b>	<b>598,208</b>	<b>348,597</b>
<b>Equity</b>		
Common stock, par value \$0.01, 200,000,000 shares authorized, 38,305,101 and 36,874,810 shares issued and outstanding at June 30, 2017 and December 31, 2016, respectively.	383	369
Additional paid-in capital	619,668	596,971
Retained (deficit)	3,632	1,721
Cumulative dividends	(61,226)	(42,794)
Accumulated other comprehensive income	2,661	3,038
<b>Total stockholders' equity</b>	<b>565,118</b>	<b>559,305</b>
Non-controlling interest in Operating Partnership	114,290	137,561
<b>Total equity</b>	<b>679,408</b>	<b>696,866</b>
<b>Total liabilities and equity</b>	<b>\$ 1,277,616</b>	<b>\$ 1,045,463</b>



## Income Statement

(Unaudited, in thousands, except share and per share amounts)

	Three Months Ended		Six Months Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
<b>Revenues</b>				
Rental income	\$ 27,501	\$ 22,291	\$ 53,521	\$ 44,027
Tenant reimbursements	2,974	2,476	6,602	4,631
Other income	128	154	367	234
<b>Total revenues</b>	<u>30,603</u>	<u>24,921</u>	<u>60,490</u>	<u>48,892</u>
<b>Operating expenses</b>				
Property operating	5,837	5,085	12,186	9,418
Real estate taxes	2,979	2,332	5,714	4,700
Depreciation and amortization	13,462	11,074	26,522	21,937
Acquisition costs	456	346	988	679
Corporate general and administrative	3,142	3,052	6,586	6,088
<b>Total expenses</b>	<u>25,876</u>	<u>21,889</u>	<u>51,996</u>	<u>42,822</u>
<b>Operating income</b>	<u>4,727</u>	<u>3,032</u>	<u>8,494</u>	<u>6,070</u>
<b>Other expenses</b>				
Interest expense, net	(3,714)	(1,995)	(6,131)	(3,924)
<b>Net income</b>	<u>1,013</u>	<u>1,037</u>	<u>2,363</u>	<u>2,146</u>
Non-controlling interest in Operating Partnership	(186)	(338)	(452)	(772)
<b>Net income available to Easterly Government Properties, Inc.</b>	<u>\$ 827</u>	<u>\$ 699</u>	<u>\$ 1,911</u>	<u>\$ 1,374</u>
<b>Net income available to Easterly Government Properties, Inc. per share:</b>				
Basic	<u>\$ 0.02</u>	<u>\$ 0.02</u>	<u>\$ 0.05</u>	<u>\$ 0.05</u>
Diluted	<u>\$ 0.02</u>	<u>\$ 0.02</u>	<u>\$ 0.05</u>	<u>\$ 0.05</u>
<b>Weighted-average common shares outstanding:</b>				
Basic	37,408,603	27,484,075	37,151,527	25,812,893
Diluted	39,845,314	29,267,258	39,534,993	27,538,423
Net income, per share - fully diluted basis	<u>\$ 0.02</u>	<u>\$ 0.03</u>	<u>\$ 0.05</u>	<u>\$ 0.05</u>
Weighted average common shares outstanding - fully diluted basis	45,959,288	40,964,377	45,953,530	40,338,097

## EBITDA, FFO and CAD

(Unaudited, in thousands, except share and per share amounts)

	Three Months Ended		Six Months Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
<b>Net income</b>	\$ 1,013	\$ 1,037	\$ 2,363	\$ 2,146
Depreciation and amortization	13,462	11,074	26,522	21,937
Interest expense	3,714	1,995	6,131	3,924
<b>EBITDA</b>	<u>\$ 18,189</u>	<u>\$ 14,106</u>	<u>\$ 35,016</u>	<u>\$ 28,007</u>
<b>Net income</b>	\$ 1,013	\$ 1,037	\$ 2,363	\$ 2,146
Depreciation and amortization	13,462	11,074	26,522	21,937
<b>Funds From Operations (FFO)</b>	<u>\$ 14,475</u>	<u>\$ 12,111</u>	<u>\$ 28,885</u>	<u>\$ 24,083</u>
<b>Adjustments to FFO:</b>				
Acquisition costs	456	346	988	679
Straight-line rent	(350)	45	(493)	33
Above-/below-market leases	(2,106)	(1,711)	(4,218)	(3,409)
Non-cash interest expense	244	194	474	389
Non-cash compensation	740	723	1,467	1,422
<b>Funds From Operations, as Adjusted</b>	<u>\$ 13,459</u>	<u>\$ 11,708</u>	<u>\$ 27,103</u>	<u>\$ 23,197</u>
FFO, per share - fully diluted basis	<u>\$ 0.31</u>	<u>\$ 0.30</u>	<u>\$ 0.63</u>	<u>\$ 0.60</u>
FFO, as Adjusted, per share - fully diluted basis	<u>\$ 0.29</u>	<u>\$ 0.29</u>	<u>\$ 0.59</u>	<u>\$ 0.58</u>
<b>Funds From Operations, as Adjusted</b>	\$ 13,459	\$ 11,708	\$ 27,103	\$ 23,197
Acquisition costs	(456)	(346)	(988)	(679)
Principal amortization	(741)	(711)	(1,473)	(1,414)
Maintenance capital expenditures	(766)	(252)	(951)	(318)
Contractual tenant improvements	(139)	-	(152)	(9)
<b>Cash Available for Distribution (CAD)</b>	<u>\$ 11,357</u>	<u>\$ 10,399</u>	<u>\$ 23,539</u>	<u>\$ 20,777</u>
Weighted average common shares outstanding - fully diluted basis	45,959,288	40,964,377	45,953,530	40,338,097



# Supplemental Information Package

Second Quarter 2017

## **Forward-looking Statement**

We make statements in this Supplemental Information Package that are considered "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, which are usually identified by the use of words such as "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "seeks," "should," "will," and variations of such words or similar expressions. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and are including this statement in this Supplemental Information Package for purposes of complying with those safe harbor provisions. These forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Although we believe that our plans, intentions, expectations, strategies and prospects as reflected in or suggested by those forward-looking statements are reasonable, we can give no assurance that the plans, intentions, expectations or strategies will be attained or achieved. Furthermore, actual results may differ materially from those described in the forward-looking statements and will be affected by a variety of risks and factors that are beyond our control including, without limitation: risks associated with our dependence on the U.S. Government and its agencies for substantially all of our revenues; risks associated with ownership and development of real estate; decreased rental rates or increased vacancy rates; loss of key personnel; general volatility of the capital and credit markets and the market price of our common stock; the risk we may lose one or more major tenants; difficulties in completing and successfully integrating acquisitions; failure of acquisitions or development projects to occur at anticipated levels or to yield anticipated results; risks associated with actual or threatened terrorist attacks; intense competition in the real estate market that may limit our ability to attract or retain tenants or re-lease space; insufficient amounts of insurance or exposure to events that are either uninsured or underinsured; uncertainties and risks related to adverse weather conditions, natural disasters and climate change; exposure to liability relating to environmental and health and safety matters; limited ability to dispose of assets because of the relative illiquidity of real estate investments and the nature of our assets; exposure to litigation or other claims; risks associated with breaches of our data security; risks associated with our indebtedness; and other risks and uncertainties detailed in the "Risk Factors" section of our Form 10-K for the year ended December 31, 2016, filed with the Securities and Exchange Commission on March 2, 2017 and the factors included under the heading "Risk Factors" in our other public filings. In addition, our qualification as a real estate investment trust involves the application of highly technical and complex provisions of the Internal Revenue Code of 1986, or the Code, and depends on our ability to meet the various requirements imposed by the Code through actual operating results, distribution levels and diversity of stock ownership. We assume no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

## **Ratings**

Ratings are not recommendations to buy, sell or hold the Company's securities.

The following discussion related to the consolidated financial statements of the Company should be read in conjunction with the financial statements for the quarter ended June 30, 2017 that will be released on Form 10-Q to be filed on or about August 8, 2017.

*This section contains definitions of certain non-GAAP financial measures and other terms that the Company uses in this Supplemental Information Package and, where applicable, the reasons why management believes these non-GAAP financial measures provide useful information to investors about the Company's financial condition and results of operations and the other purposes for which management uses the measures. These measures should not be considered in isolation or as a substitute for measures of performance in accordance with GAAP. Additional detail can be found in the Company's most recent quarterly report on Form 10-Q and the Company's most recent annual report on Form 10-K, as well as other documents filed with or furnished to the SEC from time to time.*

**Annualized lease income** is defined as the annualized contractual base rent for the last month in a specified period, plus the annualized straight-line rent adjustments for the last month in such period and the annualized expense reimbursements earned by us for the last month in such period.

**Cash Available for Distribution (CAD)** is a non-GAAP financial measure that is not intended to represent cash flow for the period and is not indicative of cash flow provided by operating activities as determined under GAAP. CAD is calculated in accordance with the current NAREIT definition as FFO minus normalized recurring real estate-related expenditures and other non-cash items and nonrecurring expenditures. CAD is presented solely as a supplemental disclosure because the Company believes it provides useful information regarding the Company's ability to fund its dividends. Because all companies do not calculate CAD the same way, the presentation of CAD may not be comparable to similarly titled measures of other companies.

**EBITDA** is calculated as the sum of net income (loss) before interest expense, income taxes, depreciation and amortization. EBITDA is not intended to represent cash flow for the period, is not presented as an alternative to operating income as an indicator of operating performance, should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP and is not indicative of operating income or cash provided by operating activities as determined under GAAP. EBITDA is presented solely as a supplemental disclosure with respect to liquidity because the Company believes it provides useful information regarding the Company's ability to service or incur debt. Because all companies do not calculate EBITDA the same way, the presentation of EBITDA may not be comparable to similarly titled measures of other companies.

**Fully diluted basis** assumes the exchange of all outstanding common units representing limited partnership interests in the Company's operating partnership, or common units, the full vesting of all shares of restricted stock, and the exchange of all earned and vested LTIP units in the Company's operating partnership for shares of common stock on a one-for-one basis, which is not the same as the meaning of "fully diluted" under GAAP. Fully diluted basis does not include outstanding LTIP units in the Company's operating partnership that are subject to performance criteria that have not yet been met.

**Funds From Operations (FFO)** is defined by NAREIT as net income (loss), calculated in accordance with GAAP, excluding gains or losses from sales of property and impairment losses on depreciable real estate, plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. FFO is a widely recognized measure of REIT performance. Although FFO is a non-GAAP financial measure, the Company believes that information regarding FFO is helpful to shareholders and potential investors.

**Funds From Operations, as Adjusted (FFO, as Adjusted)** adjusts FFO to present an alternative measure of our operating performance, which, when applicable, excludes the impact of acquisition costs, straight-line rent, above-/below-market leases, non-cash interest expense and non-cash compensation. By excluding income and expense items such as straight-line rent, above-/below-market leases, non-cash interest expense and non-cash compensation from FFO, as Adjusted, the Company believes it provides useful information as these items have no cash impact. In addition, by excluding acquisition related costs the Company believes FFO, as Adjusted provides useful information that is comparable across periods and more accurately reflects the operating performance of the Company's properties.

**Net Operating Income (NOI)** is calculated as total property revenues (rental income, tenant reimbursements and other income) less property operating expenses and real estate taxes from the properties owned by the Company. Cash NOI excludes from NOI straight-line rent and amortization of above-/below market leases. NOI presented by the Company may not be comparable to NOI reported by other REITs that define NOI differently. The Company believes that NOI provides investors with a useful measure of the operating performance of our properties. NOI should not be considered an alternative to net income as an indication of our performance or to cash flows as a measure of the Company's liquidity or its ability to make distributions.



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## Corporate Information

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### Corporate Headquarters

2101 L Street NW  
Suite 650  
Washington, DC 20037  
202-595-9500

### Stock Exchange Listing

New York Stock Exchange

### Ticker

DEA

### Information Requests

Please contact [ir@easterlyreit.com](mailto:ir@easterlyreit.com)  
or 202-596-3947 to request an  
Investor Relations package

### Investor Relations

Lindsay Winterhalter,  
VP, Investor Relations  
& Operations

### Executive Team

William Trimble III, CEO  
Michael Ibe, Vice-Chairman and EVP  
Alison Bernard, CAO

Darrell Crate, Chairman  
Meghan Baivier, CFO & COO  
Ronald Kendall, EVP

### Board of Directors

William Binnie  
Darrell Crate  
Cynthia Fisher  
Emil Henry Jr.

Michael Ibe  
James Mead  
William Trimble III

## Equity Research Coverage

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### Citigroup

Michael Bilerman / Emmanuel Korchman  
212-816-1383 / 212-816-1382

### Raymond James & Associates

Bill Crow / Paul Puryear  
727-567-2594 / 727-567-2253

### RBC Capital Markets

Michael Carroll  
440-715-2649

### Jefferies

Jonathan Petersen  
212-284-1705

### SunTrust Robinson Humphrey

Michael R. Lewis  
212-319-5659

*Any opinions, estimates, forecasts or predictions regarding Easterly Government Properties, Inc.'s performance made by these analysts are theirs alone and do not represent opinions, estimates, forecasts or predictions of Easterly Government Properties, Inc. or its management. Easterly Government Properties, Inc. does not by its reference above or distribution imply its endorsement of or concurrence with such opinions, estimates, forecasts or predictions.*

# Executive Summary

(Unaudited, in thousands except share and per share amounts)



<u>Price of Common Shares</u>	<u>Three months ended June 30, 2017</u>	<u>Earnings</u>	<u>Three months ended June 30, 2017</u>	<u>Three months ended June 30, 2016</u>
High closing price during period	\$ 21.61	Net income available to Easterly Government Properties, Inc.	\$ 827	\$ 699
Low closing price during period	\$ 19.47	Net income available to Easterly Government Properties, Inc.		
End of period closing price	\$ 20.95	per share:		
		Basic	\$ 0.02	\$ 0.02
		Diluted	\$ 0.02	\$ 0.02
<b>Outstanding Classes of Stock and Partnership Units - Fully Diluted Basis</b>	<b>At June 30, 2017</b>			
Common shares	38,287,189	Net income	\$ 1,013	\$ 1,037
Unvested restricted shares	17,912	Net income, per share - fully diluted basis	\$ 0.02	\$ 0.03
Common partnership units outstanding	7,746,850			
<b>Total - fully diluted basis</b>	<b>46,051,951</b>	Funds From Operations ("FFO")	\$ 14,475	\$ 12,111
		FFO, per share - fully diluted basis	\$ 0.31	\$ 0.30
		Funds From Operations, as Adjusted	\$ 13,459	\$ 11,708
<b>Market Capitalization</b>	<b>At June 30, 2017</b>	FFO, as Adjusted, per share - fully diluted basis	\$ 0.29	\$ 0.29
<b>Total equity market capitalization - fully diluted basis</b>	<b>\$ 964,788</b>			
Consolidated debt <sup>(1)</sup>	549,409	Cash Available for Distribution	\$ 11,357	\$ 10,399
Cash and cash equivalents	(6,105)			
<b>Total enterprise value</b>	<b>\$ 1,508,092</b>			
		<b>Liquidity</b>		<b>At June 30, 2017</b>
		Cash and cash equivalents	\$	6,105
<b>Ratios</b>	<b>At June 30, 2017</b>			
Net debt to total enterprise value	36.0%	<b>Unsecured revolving credit facility</b>		
Net debt to annualized quarterly EBITDA	7.5x	Total current facility size (2)	\$	400,000
Cash interest coverage ratio	5.2x	Less: outstanding balance		(68,000)
Cash fixed charge coverage ratio	4.3x	<b>Available under unsecured revolving credit facility</b>	\$	332,000
Pro forma net debt to total enterprise value <sup>(4)</sup>	30.2%	Pro forma proceeds from physical settlement of forward sales agreements <sup>(4)</sup>	\$	87,711
Pro forma net debt to annualized quarterly EBITDA <sup>(3)</sup>	5.6x			

<sup>(1)</sup>Excludes unamortized premiums / discounts and deferred financing fees.

<sup>(2)</sup>Credit facility has an accordion feature that provides additional capacity, subject to the satisfaction of customary terms and conditions, of up to \$250 million, for a total facility size of not more than \$650 million.

<sup>(3)</sup>Assumes full physical settlement, on June 30, 2017, of the forward sales agreements entered into on March 27, 2017 for 4.95 million shares at a net price of \$17.74 and a full quarter of operations from VA - Loma Linda which we acquired on June 1, 2017.

<sup>(4)</sup>Assumes full physical settlement, on June 30, 2017 of the forward sales agreements entered into on March 27, 2017 for 4.95 million shares at a net price of \$17.74.

# Balance Sheets

(In thousands, except share amounts)



	June 30, 2017 (unaudited)	December 31, 2016
<b>Assets</b>		
Real estate properties, net	\$ 1,117,039	\$ 901,066
Cash and cash equivalents	6,105	4,845
Restricted cash	3,559	1,646
Deposits on acquisitions	1,000	1,750
Rents receivable	8,284	8,544
Accounts receivable	6,746	5,823
Deferred financing, net	1,437	2,787
Intangible assets, net	127,127	113,795
Interest rate swap	3,199	3,785
Prepaid expenses and other assets	3,120	1,422
<b>Total assets</b>	<b>\$ 1,277,616</b>	<b>\$ 1,045,463</b>
<b>Liabilities</b>		
Revolving credit facility	68,000	212,167
Term loan facility, net	99,132	-
Notes payable, net	173,646	-
Mortgage notes payable, net	204,782	80,806
Intangible liabilities, net	38,175	41,840
Accounts payable and accrued liabilities	14,473	13,784
<b>Total liabilities</b>	<b>598,208</b>	<b>348,597</b>
<b>Equity</b>		
Common stock, par value \$0.01, 200,000,000 shares authorized, 38,305,101 and 36,874,810 shares issued and outstanding at June 30, 2017 and December 31, 2016, respectively.	383	369
Additional paid-in capital	619,668	596,971
Retained (deficit)	3,632	1,721
Cumulative dividends	(61,226)	(42,794)
Accumulated other comprehensive income	2,661	3,038
<b>Total stockholders' equity</b>	<b>565,118</b>	<b>559,305</b>
Non-controlling interest in Operating Partnership	114,290	137,561
<b>Total equity</b>	<b>679,408</b>	<b>696,866</b>
<b>Total liabilities and equity</b>	<b>\$ 1,277,616</b>	<b>\$ 1,045,463</b>

# Income Statements

(Unaudited, in thousands, except share and per share amounts)



	Three Months Ended		Six Months Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
<b>Revenues</b>				
Rental income	\$ 27,501	\$ 22,291	\$ 53,521	\$ 44,027
Tenant reimbursements	2,974	2,476	6,602	4,631
Other income	128	154	367	234
<b>Total revenues</b>	<u>30,603</u>	<u>24,921</u>	<u>60,490</u>	<u>48,892</u>
<b>Operating expenses</b>				
Property operating	5,837	5,085	12,186	9,418
Real estate taxes	2,979	2,332	5,714	4,700
Depreciation and amortization	13,462	11,074	26,522	21,937
Acquisition costs	456	346	988	679
Corporate general and administrative	3,142	3,052	6,586	6,088
<b>Total expenses</b>	<u>25,876</u>	<u>21,889</u>	<u>51,996</u>	<u>42,822</u>
<b>Operating income</b>	<u>4,727</u>	<u>3,032</u>	<u>8,494</u>	<u>6,070</u>
<b>Other expenses</b>				
Interest expense, net	(3,714)	(1,995)	(6,131)	(3,924)
<b>Net income</b>	<u>1,013</u>	<u>1,037</u>	<u>2,363</u>	<u>2,146</u>
Non-controlling interest in Operating Partnership	(186)	(338)	(452)	(772)
<b>Net income available to Easterly Government Properties, Inc.</b>	<u>\$ 827</u>	<u>\$ 699</u>	<u>\$ 1,911</u>	<u>\$ 1,374</u>
<b>Net income available to Easterly Government Properties, Inc. per share:</b>				
Basic	<u>\$ 0.02</u>	<u>\$ 0.02</u>	<u>\$ 0.05</u>	<u>\$ 0.05</u>
Diluted	<u>\$ 0.02</u>	<u>\$ 0.02</u>	<u>\$ 0.05</u>	<u>\$ 0.05</u>
<b>Weighted-average common shares outstanding:</b>				
Basic	37,408,603	27,484,075	37,151,527	25,812,893
Diluted	39,845,314	29,267,258	39,534,993	27,538,423
Net income, per share - fully diluted basis	<u>\$ 0.02</u>	<u>\$ 0.03</u>	<u>\$ 0.05</u>	<u>\$ 0.05</u>
Weighted average common shares outstanding - fully diluted basis	45,959,288	40,964,377	45,953,530	40,338,097

# Net Operating Income

(Unaudited, in thousands)



	Three Months Ended		Six Months Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
<b>Revenue</b>				
Rental income	\$ 27,501	\$ 22,291	\$ 53,521	\$ 44,027
Tenant reimbursements	2,974	2,476	6,602	4,631
Other income	128	154	367	234
<b>Total revenues</b>	<u>30,603</u>	<u>24,921</u>	<u>60,490</u>	<u>48,892</u>
<b>Operating Expenses</b>				
Property operating	5,837	5,085	12,186	9,418
Real estate taxes	2,979	2,332	5,714	4,700
<b>Total expenses</b>	<u>8,816</u>	<u>7,417</u>	<u>17,900</u>	<u>14,118</u>
<b>Net Operating Income</b>	<u>\$ 21,787</u>	<u>\$ 17,504</u>	<u>\$ 42,590</u>	<u>\$ 34,774</u>
<b>Adjustments to Net Operating Income:</b>				
Straight-line rent	(355)	(19)	(495)	(40)
Above-/below-market leases	(2,106)	(1,711)	(4,218)	(3,409)
<b>Cash Net Operating Income</b>	<u>\$ 19,326</u>	<u>\$ 15,774</u>	<u>\$ 37,877</u>	<u>\$ 31,325</u>

# EBITDA, FFO and CAD

(Unaudited, in thousands, except share and per share amounts)



	Three Months Ended		Six Months Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
<b>Net income</b>	\$ 1,013	\$ 1,037	\$ 2,363	\$ 2,146
Depreciation and amortization	13,462	11,074	26,522	21,937
Interest expense	3,714	1,995	6,131	3,924
<b>EBITDA</b>	<u>\$ 18,189</u>	<u>\$ 14,106</u>	<u>\$ 35,016</u>	<u>\$ 28,007</u>
<b>Net income</b>	\$ 1,013	\$ 1,037	\$ 2,363	\$ 2,146
Depreciation and amortization	13,462	11,074	26,522	21,937
<b>Funds From Operations (FFO)</b>	<u>\$ 14,475</u>	<u>\$ 12,111</u>	<u>\$ 28,885</u>	<u>\$ 24,083</u>
<b>Adjustments to FFO:</b>				
Acquisition costs	456	346	988	679
Straight-line rent	(350)	45	(493)	33
Above-/below-market leases	(2,106)	(1,711)	(4,218)	(3,409)
Non-cash interest expense	244	194	474	389
Non-cash compensation	740	723	1,467	1,422
<b>Funds From Operations, as Adjusted</b>	<u>\$ 13,459</u>	<u>\$ 11,708</u>	<u>\$ 27,103</u>	<u>\$ 23,197</u>
FFO, per share - fully diluted basis	\$ 0.31	\$ 0.30	\$ 0.63	\$ 0.60
FFO, as Adjusted, per share - fully diluted basis	<u>\$ 0.29</u>	<u>\$ 0.29</u>	<u>\$ 0.59</u>	<u>\$ 0.58</u>
<b>Funds From Operations, as Adjusted</b>	\$ 13,459	\$ 11,708	\$ 27,103	\$ 23,197
Acquisition costs	(456)	(346)	(988)	(679)
Principal amortization	(741)	(711)	(1,473)	(1,414)
Maintenance capital expenditures	(766)	(252)	(951)	(318)
Contractual tenant improvements	(139)	-	(152)	(9)
<b>Cash Available for Distribution (CAD)</b>	<u>\$ 11,357</u>	<u>\$ 10,399</u>	<u>\$ 23,539</u>	<u>\$ 20,777</u>
Weighted average common shares outstanding - fully diluted basis	45,959,288	40,964,377	45,953,530	40,338,097

# Debt Schedules

(Unaudited, in thousands)



Debt Instrument	Maturity Date	Stated Rate(1)	June 30, 2017 Balance(2)	June 30, 2017 Percent of Total Indebtedness
<b>Unsecured debt</b>				
Unsecured revolving credit facility(3)	11-Feb-19(4)	LIBOR + 140bps	\$ 68,000	12.4%
Unsecured term loan facility	29-Sep-23	3.12%(5)	100,000	18.1%
Notes payable - series A	25-May-27	4.05%	95,000	17.3%
Notes payable - series B	25-May-29	4.15%	50,000	9.1%
Notes payable - series C	25-May-32	4.30%	30,000	5.5%
<b>Total unsecured debt</b>	<b>7.9 years (wtd-avg maturity)</b>	<b>3.53% (wtd-avg rate)</b>	<b>\$ 343,000</b>	<b>62.4%</b>
<b>Secured mortgage debt</b>				
VA - Loma Linda	6-Jul-27	3.59%	\$ 127,500	23.2%
ICE - Charleston	15-Jan-27	4.21%	20,369	3.7%
USFS II - Albuquerque	14-Jul-26	4.46%	17,044	3.1%
DEA - Pleasanton	18-Oct-23	LIBOR + 150bps	15,700	2.9%
CBP - Savannah	10-Jul-33	3.40%	14,562	2.7%
MEPCOM - Jacksonville	14-Oct-25	4.41%	11,234	2.0%
<b>Total secured mortgage debt</b>	<b>9.9 years (wtd-avg maturity)</b>	<b>3.68% (wtd-avg rate)</b>	<b>\$ 206,409</b>	<b>37.6%</b>
<b>Debt Statistics</b>				
	<b>June 30, 2017</b>			
Variable rate debt - unhedged	\$		83,700	
Fixed rate debt			465,709	
<b>Total debt(2)</b>	<b>\$</b>		<b>549,409</b>	
% Variable rate debt - unhedged			15.2%	
% Fixed rate debt			84.8%	
Weighted average maturity		8.7 years		
Weighted average interest rate		3.6%		

(1)Average stated rates represent the weighted average interest rate at June 30, 2017.

(2)Excludes unamortized premiums / discounts and deferred financing fees.

(3)Credit facility has available capacity of \$332,000 as of June 30, 2017.

(4)Credit facility has two six-month as-of-right extension options subject to certain conditions and the payment of an extension fee.

(5)Entered into two interest rate swaps with an effective date of March 29, 2017 with an aggregate notional value of \$100 million to effectively fix the interest rate at 3.12% annually based on the Company's current leverage ratio.

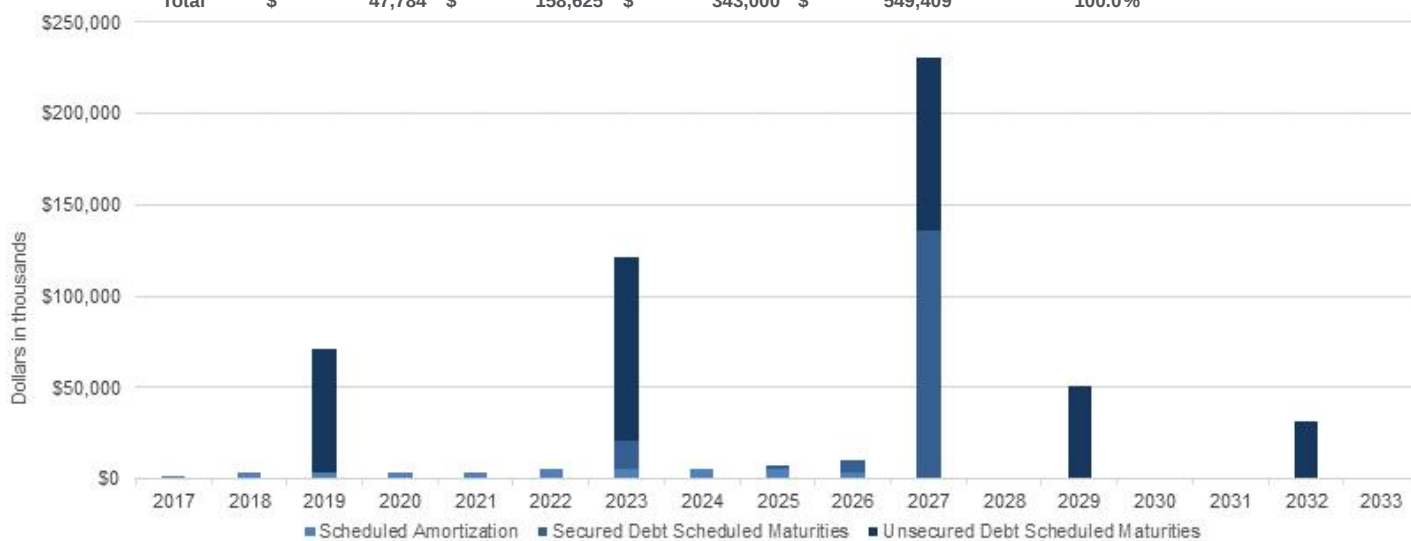


# Debt Maturities

(Unaudited, in thousands)



Year	Secured Debt		Unsecured Debt		Total	Percentage of Debt Maturing	Weighted Average Interest Rate of Scheduled Maturities
	Scheduled Amortization	Scheduled Maturities	Scheduled Maturities	Scheduled Maturities			
2017	1,503	-	-	-	1,503	0.3%	-
2018	3,100	-	-	-	3,100	0.6%	-
2019	3,229	-	68,000	-	71,229	13.0%	2.61%
2020	3,395	-	-	-	3,395	0.6%	-
2021	4,054	-	-	-	4,054	0.7%	-
2022	5,109	-	-	-	5,109	0.9%	-
2023	5,388	15,700	100,000	-	121,088	22.0%	3.04%
2024	5,679	-	-	-	5,679	1.0%	-
2025	5,633	1,917	-	-	7,550	1.4%	4.41%
2026	3,686	6,368	-	-	10,054	1.8%	4.46%
2027	1,093	134,640	95,000	-	230,733	42.0%	3.82%
2028	983	-	-	-	983	0.2%	-
2029	1,016	-	50,000	-	51,016	9.3%	4.15%
2030	1,049	-	-	-	1,049	0.2%	-
2031	1,083	-	-	-	1,083	0.2%	-
2032	1,116	-	30,000	-	31,116	5.7%	4.30%
2033	668	-	-	-	668	0.1%	-
<b>Total</b>	<b>\$ 47,784</b>	<b>\$ 158,625</b>	<b>\$ 343,000</b>	<b>\$ 549,409</b>	<b>100.0%</b>		



# Operating Property Overview

(As of June 30, 2017, unaudited)



Property Name	Location	Property Type	Tenant Lease Expiration Year	Year Built / Renovated	Rentable Square Feet	Annualized Lease Income	Percentage of Total Annualized Lease Income	Annualized Lease Income per Leased Square Foot
<b>U.S. Government Leased Properties</b>								
VA - Loma Linda	Loma Linda, CA	Outpatient Clinic	2036	2016	327,614	\$ 16,039,323	13.3%	\$ 48.96
IRS - Fresno	Fresno, CA	Office	2018	2003	180,481	7,486,857	6.2%	41.48
PTO - Arlington	Arlington, VA	Office	2019 / 2020	2009	189,871	6,557,257	5.3%	34.54
FBI - San Antonio	San Antonio, TX	Office	2021	2007	148,584	5,040,098	4.2%	33.92
FBI - Omaha	Omaha, NE	Office	2024	2009	112,196	4,536,468	3.8%	40.43
EPA - Kansas City	Kansas City, KS	Laboratory	2023	2003	71,979	3,852,671	3.2%	53.52
ICE - Charleston	Charleston, SC	Office	2021 / 2027	1994 / 2012	86,733	3,685,906	3.0%	42.50
DOT - Lakewood	Lakewood, CO	Office	2024	2004	122,225	3,487,403	2.9%	28.53
USCIS - Lincoln	Lincoln, NE	Office	2020	2005	137,671	3,256,811	2.7%	23.66
AOC - El Centro	El Centro, CA	Courthouse/Office	2019	2004	46,813	3,041,909	2.5%	64.98
FBI - Birmingham	Birmingham, AL	Office	2020	2005	96,278	3,022,473	2.5%	31.39
OSHA - Sandy	Sandy, UT	Laboratory	2024	2003	75,000	2,988,675	2.5%	39.85
USFS II - Albuquerque	Albuquerque, NM	Office	2026	2011	98,720	2,795,974	2.3%	28.32
ICE - Albuquerque	Albuquerque, NM	Office	2027	2011	71,100	2,794,202	2.3%	39.30
DEA - Vista	Vista, CA	Laboratory	2020	2002	54,119	2,761,077	2.3%	51.02
DEA - Pleasanton	Pleasanton, CA	Laboratory	2035	2015	42,480	2,741,304	2.3%	64.53
USFS I - Albuquerque	Albuquerque, NM	Office	2021	2006	92,455	2,727,586	2.3%	29.50
FBI - Richmond	Richmond, VA	Office	2021	2001	96,607	2,722,195	2.3%	28.18
AOC - Del Rio	Del Rio, TX	Courthouse/Office	2024	1992 / 2004	89,880	2,662,523	2.2%	29.62
DEA - Dallas Lab	Dallas, TX	Laboratory	2021	2001	49,723	2,395,557	2.0%	48.18
MEPCOM - Jacksonville	Jacksonville, FL	Office	2025	2010	30,000	2,179,704	1.8%	72.66
FBI - Little Rock	Little Rock, AR	Office	2021	2001	101,977	2,145,210	1.8%	21.04
CBP - Savannah	Savannah, GA	Laboratory	2033	2013	35,000	2,114,245	1.7%	60.41
FBI - Albany	Albany, NY	Office	2018	1998	98,184	2,093,697	1.7%	21.32
DEA - Santa Ana	Santa Ana, CA	Office	2024	2004	39,905	2,073,724	1.7%	51.97
DOE - Lakewood	Lakewood, CO	Office	2029	1999	115,650	2,061,963	1.7%	17.83
DEA - Dallas	Dallas, TX	Office	2021	2001	71,827	1,808,587	1.5%	25.18
NPS - Omaha	Omaha, NE	Office	2024	2004	62,772	1,750,216	1.4%	27.88
CBP - Chula Vista	Chula Vista, CA	Office	2018	1998	59,397	1,708,702	1.4%	28.77
DEA - North Highlands	Sacramento, CA	Office	2017	2002	37,975	1,707,569	1.4%	44.97

# Operating Property Overview (Cont.)

(As of June 30, 2017, unaudited)



Property Name	Location	Property Type	Tenant Lease Expiration Year	Year Built / Renovated	Rentable Square Feet	Annualized Lease Income	Percentage of Total Annualized Lease Income	Annualized Lease Income per Leased Square Foot
<b>U.S. Government Leased Properties (Cont.)</b>								
ICE - Otay	San Diego, CA	Office	2022 / 2026	2001	52,881	1,700,148	1.4%	34.38
CBP - Sunburst	Sunburst, MT	Office	2028	2008	33,000	1,588,434	1.3%	48.13
USCG - Martinsburg	Martinsburg, WV	Office	2027	2007	59,547	1,574,367	1.3%	26.44
AOC - Aberdeen	Aberdeen, MS	Courthouse/Office	2025	2005	46,979	1,459,277	1.2%	31.06
DEA - Birmingham	AL	Office	2020	2005	35,616	1,392,369	1.2%	39.09
DEA - Albany	Albany, NY	Office	2025	2004	31,976	1,339,760	1.1%	41.90
DEA - Otay	San Diego, CA	Office	2017	1997	32,560	1,303,953	1.1%	40.05
DEA - Riverside	Riverside, CA	Office	2017	1997	34,354	1,291,158	1.1%	37.58
AOC - South Bend	South Bend, IN	Courthouse/Office	2027	1996 / 2011	30,119	820,226	0.7%	27.23
SSA - Mission Viejo	Mission Viejo, CA	Office	2020	2005	11,590	535,274	0.4%	46.18
DEA - San Diego	San Diego, CA	Warehouse	2032	1999	16,100	525,712	0.4%	32.65
SSA - San Diego	San Diego, CA	Office	2032	2003	10,856	442,291	0.4%	43.97
<b>Subtotal</b>					<b>3,238,794</b>	<b>\$ 118,212,855</b>	<b>97.8%</b>	<b>\$ 36.55</b>
<b>Privately Leased Properties</b>								
2650 SW 145th Avenue - Parbel of Florida	Miramar, FL	Warehouse/Distribution	2018	2007	81,721	1,668,372	1.4%	20.42
5998 Osceola Court - United Technologies	Midland, GA	Warehouse/Manufacturing	2023	2014	105,641	538,932	0.4%	5.10
501 East Hunter Street - Lummus Corporation	Lubbock, TX	Warehouse/Distribution	2028	2013	70,078	521,472	0.4%	7.44
<b>Subtotal</b>					<b>257,440</b>	<b>\$ 2,728,776</b>	<b>2.2%</b>	<b>\$ 10.60</b>
<b>Total / Weighted Average</b>					<b>3,496,234</b>	<b>\$ 120,941,631</b>	<b>100.0%</b>	<b>\$ 34.63</b>

# Tenants

(As of June 30, 2017, unaudited)



Tenant	Number of Properties	Number of Leases	Weighted Average Remaining Lease Term <sup>(1)</sup>	Leased Square Feet	Percentage of Leased Square Feet	Annualized Lease Income	Percentage of Total Annualized Lease Income
<b>U.S. Government</b>							
Federal Bureau of Investigation ("FBI")	6	6	3.9	653,826	18.7%	\$ 19,560,141	16.2%
Drug Enforcement Administration ("DEA")	11	11	5.4	432,142	12.4%	18,768,638	15.5%
Department of Veteran Affairs ("VA")	1	1	18.9	327,614	9.4%	16,039,323	13.3%
Administrative Office of the U.S. Courts ("AOC")	4	4	6.4	213,791	6.1%	7,983,935	6.6%
Immigration and Customs Enforcement ("ICE")	3	3	8.4	182,522	5.2%	7,567,172	6.3%
Internal Revenue Service ("IRS")	1	1	1.4	180,481	5.2%	7,486,857	6.2%
Patent and Trademark Office ("PTO")	1	2	1.8	189,871	5.4%	6,557,257	5.4%
U.S. Forest Service ("USFS")	2	2	6.6	191,175	5.5%	5,523,560	4.6%
Customs and Border Protection ("CBP")	3	3	7.7	127,397	3.6%	5,411,381	4.5%
Environmental Protection Agency ("EPA")	1	1	5.8	71,979	2.1%	3,852,671	3.2%
Department of Transportation ("DOT")	1	2	6.8	129,659	3.7%	3,743,994	3.1%
U.S. Citizenship and Immigration Services ("USCIS")	1	1	3.2	137,671	3.9%	3,256,811	2.7%
Occupational Safety and Health Administration ("OSHA")	1	1	6.6	75,000	2.1%	2,988,675	2.5%
Military Entrance Processing Command ("MEPCOM")	1	1	8.3	30,000	0.9%	2,179,704	1.8%
Department of Energy ("DOE")	1	1	12.4	115,650	3.3%	2,061,963	1.7%
National Park Service ("NPS")	1	1	7.0	62,772	1.9%	1,750,216	1.4%
U.S. Coast Guard ("USCG")	1	1	10.5	59,547	1.8%	1,574,367	1.3%
Social Security Administration ("SSA")	2	2	9.0	21,649	0.7%	977,565	0.8%
Bureau of Alcohol, Tobacco, Firearms and Explosives ("ATF") <sup>(2)</sup>	0	0	3.5	8,680	0.2%	339,335	0.3%
U.S. Department of Agriculture ("USDA")	0	1	8.5	1,538	0.0%	53,085	0.0%
<b>Subtotal</b>	<b>42</b>	<b>45</b>	<b>6.9</b>	<b>3,212,964</b>	<b>92.1%</b>	<b>\$ 117,676,650</b>	<b>97.4%</b>
<b>Private Tenants</b>							
Parbel of Florida	1	1	0.7	81,721	2.3%	\$ 1,668,372	1.4%
United Technologies (Pratt & Whitney)	1	1	6.5	105,641	3.0%	538,932	0.4%
We Are Sharing Hope SC <sup>(3)</sup>	0	1	4.3	21,609	0.6%	536,205	0.4%
Lummus Corporation	1	1	11.1	70,078	2.0%	521,472	0.4%
<b>Subtotal</b>	<b>3</b>	<b>4</b>	<b>5.8</b>	<b>279,049</b>	<b>7.9%</b>	<b>\$ 3,264,981</b>	<b>2.6%</b>
<b>Total / Weighted Average</b>	<b>45</b>	<b>49</b>	<b>6.8</b>	<b>3,492,013</b>	<b>100.0%</b>	<b>\$ 120,941,631</b>	<b>100.0%</b>

(1)Weighted based on leased square feet.

(2)ATF occupies the first floor of the DEA – Birmingham building in a joint lease with the DEA.

(3)LifePoint, Inc. changed its legal name to We Are Sharing Hope SC.

# Lease Expirations

(As of June 30, 2017, unaudited)



Year of Lease Expiration	Number of Leases Expiring	Square Footage Expiring	Percentage of Total Square Footage Expiring	Annualized Lease Income Expiring	Percentage of Total Annualized Lease Income Expiring	Annualized Lease Income per Leased Square Foot Expiring
2017	3	104,889	3.0%	\$ 4,302,680	3.6%	\$ 41.02
2018	4	419,783	12.0%	12,957,628	10.7%	30.87
2019	2	215,281	6.1%	8,828,567	7.3%	41.01
2020	7	356,677	10.2%	11,738,603	9.7%	32.91
2021	7	582,782	16.7%	17,375,438	14.4%	29.81
2022	2	47,919	1.4%	1,647,063	1.4%	34.37
2023	2	177,620	5.1%	4,391,603	3.6%	24.72
2024	6	501,978	14.4%	17,499,009	14.5%	34.86
2025	3	108,955	3.1%	4,978,741	4.1%	45.70
2026	2	100,258	2.9%	2,849,059	2.4%	28.42
Thereafter	11	875,871	25.1%	34,373,240	28.3%	39.24
<b>Total / Weighted Average</b>	<b>49</b>	<b>3,492,013</b>	<b>100.0%</b>	<b>\$ 120,941,631</b>	<b>100.0%</b>	<b>\$ 34.63</b>