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

FORM 8-K/A

(Amendment No. 1)

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):

November 22, 2016

Easterly Government Properties, Inc.

(Exact name of Registrant as Specified in Its Charter)

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)

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))
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Explanatory Note

On November 22, 2016, Easterly Government Properties, Inc. (together with its consolidated subsidiaries, the “Company”) completed the previously announced acquisition of a portfolio of four U.S. Government-leased properties (the “Government Properties Portfolio”) from an unaffiliated third party. The Company completed the acquisition of three of the four properties on July 1, 2016 and completed the acquisition of the fourth property on November 22, 2016.

The acquisition of the Government Properties Portfolio was originally reported on a Current Report on Form 8-K, filed by the Company with the Securities and Exchange Commission on November 29, 2016 (the “Original Report”). This amendment to the Original Report is being filed to provide the historical financial statements required by Item 9.01(a) of Form 8-K and the pro forma financial information required by Item 9.01(b) of Form 8-K, which financial statements and information were not included in the Original Report as permitted by Item 9.01(a)(4) and Item 9.01(b)(2) of Form 8-K. This Current Report on Form 8-K/A should be read in conjunction with the Original Report.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired.

The following financial statements for the Government Properties Portfolio are attached hereto as Exhibit 99.1 and incorporated by reference herein:

Independent Auditor’s Report

Government Properties Portfolio - Combined Statements of Revenues and Certain Expenses for the Nine Months Ended September 30, 2016 (unaudited) and the Year Ended December 31, 2015

Notes to the Combined Statements of Revenues and Certain Expenses

(b) Pro Forma Financial Information.

The following pro forma financial information for the Company are attached hereto as Exhibit 99.2 and incorporated by reference herein:

Introduction to the Unaudited Pro Forma Consolidated Financial Statements

Unaudited Pro Forma Consolidated Balance Sheet as of September 30, 2016

Unaudited Pro Forma Consolidated Statement of Operations for the Nine Months Ended September 30, 2016

Unaudited Pro Forma Consolidated Statement of Operations for the Year Ended December 31, 2015

Notes to the Unaudited Pro Forma Consolidated Financial Statements

(d) Exhibits.

<u>Exhibit</u>	<u>Description</u>
23.1	Consent of PricewaterhouseCoopers LLP
99.1	Financial Statements of Government Properties Portfolio
99.2	Unaudited Pro Forma Consolidated Financial Statements of the Company

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: December 27, 2016

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
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CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-210049 and 333-210052) and Form S-8 (No. 333-202008) of Easterly Government Properties, Inc. of our report dated December 27, 2016 relating to the combined statement of revenues and certain expenses of the Government Properties Portfolio for the year ended December 31, 2015, which appears in the Current Report on Form 8-K/A filed with the Securities and Exchange Commission by Easterly Government Properties, Inc. on December 27, 2016.

/s/ PricewaterhouseCoopers LLP
Boston, Massachusetts
December 27, 2016

Independent Auditor's Report

To the Board of Directors and Stockholders of Easterly Government Properties, Inc.:

We have audited the accompanying combined statement of revenues and certain expenses (the "Statement") of Government Properties Portfolio (the "Portfolio") for the year ended December 31, 2015.

Management's Responsibility for the Combined Statement of Revenues and Certain Expenses

Management is responsible for the preparation and fair presentation of the Statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Portfolio's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Portfolio's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Statement referred to above presents fairly, in all material respects, the combined revenues and certain expenses of Government Properties Portfolio for the year ended December 31, 2015 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 2 of the Statement, which describes the basis of accounting. The Statement was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission, as described in Note 2. The presentation is not intended to be a complete presentation of the Portfolio's revenues and expenses. Our opinion is not modified with respect to this matter.

/s/ PricewaterhouseCoopers LLP
Boston, Massachusetts
December 27, 2016

**GOVERNMENT PROPERTIES PORTFOLIO
COMBINED STATEMENTS OF REVENUES AND CERTAIN EXPENSES**

	Nine Months Ended September 30, 2016* (unaudited)	Year Ended December 31, 2015
Revenues		
Rental income	\$ 4,845	\$ 8,926
Tenant reimbursements	815	1,279
Total revenues	<u>\$ 5,660</u>	<u>\$ 10,205</u>
Certain expenses		
Property operating	1,171	1,912
Real estate taxes	718	1,186
Total certain expenses	<u>1,889</u>	<u>3,098</u>
Revenues in excess of certain expenses	<u>\$ 3,771</u>	<u>\$ 7,107</u>

* The nine months ended September 30, 2016 includes the operations for DEA – Birmingham, EPA – Kansas City, and FBI – Birmingham for the period from January 1, 2016 through June 30, 2016 and the operations of FBI – Albany for the period from January 1, 2016 through September 30, 2016. Operations for DEA – Birmingham, EPA – Kansas City, and FBI – Birmingham for the period from July 1, 2016 through September 30, 2016 are included in the Easterly Government Properties, Inc. Quarterly Report on Form 10-Q for the period ended September 30, 2016 filed with the Securities and Exchange Commission on November 8, 2016.

The accompanying notes are an integral part of the combined statements of revenues and certain expenses.

Government Properties Portfolio
Notes to the Combined Statements of Revenues and Certain Expenses
Nine Months Ended September 30, 2016 (Unaudited) and Year Ended December 31, 2015

Note 1 – Organization and Nature of Business

The Government Properties Portfolio (the “Portfolio”) is not a legal entity, but rather is a combination of the following four properties (collectively, the “Properties”) located in three states that are 100% leased to the U.S. Government through the General Services Administration (“GSA”).

DEA – Birmingham, Alabama
EPA – Kansas City, Kansas
FBI – Albany, New York
FBI – Birmingham, Alabama

The Properties were sold to Easterly Government Properties LP (the “Operating Partnership”) by an unrelated third party during 2016. The acquisition of DEA – Birmingham, EPA – Kansas City, and FBI – Birmingham closed on July 1, 2016 and FBI – Albany closed on November 22, 2016. The accompanying combined statements of revenues and certain expenses (the “Statements”) relate to the operations of the Properties.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying Statements relate to the Portfolio and have been prepared for the purpose of complying with Rule 3-14 of Regulation S-X promulgated under the Securities Act of 1933, as amended, and accordingly, are not representative of the actual results of operations of the Portfolio for the nine months ended September 30, 2016 (unaudited) or year ended December 31, 2015, due to the exclusion of the following revenues and expenses which may not be comparable to the proposed future operations of the Portfolio:

- depreciation and amortization,
- interest income and expense,
- amortization of above and below market leases, and
- other miscellaneous revenues and expenses not directly related to the proposed future operations of the Properties.

Since the Properties were acquired from an unrelated third party, the Statements have been prepared for the most recent fiscal year and most recent interim period. For the year ended December 31, 2015 the Properties are presented on a combined basis as they were all under common control and ownership. The information presented for the nine months ended September 30, 2016 (unaudited) reflects the operations for DEA – Birmingham, EPA – Kansas City, and FBI – Birmingham for the period from January 1, 2016 through June 30, 2016 and the operations of FBI – Albany for the period from January 1, 2016 through September 30, 2016. Operations for DEA – Birmingham, EPA – Kansas City, and FBI – Birmingham for the period from July 1, 2016 through September 30, 2016 are included in the Easterly Government Properties, Inc. Quarterly Report on Form 10-Q for the period ended September 30, 2016 filed with the Securities and Exchange Commission on November 8, 2016.

Revenue Recognition

Rental income is recognized on the straight-line basis over the term of the related leases when collectability is reasonably assured. The straight-line rent adjustment increased revenue for the Properties by approximately \$0.1 million and \$0.3 million in the nine months ended September 30, 2016 (unaudited) and the year ended December 31, 2015, respectively.

Tenant reimbursements include reimbursement for operating expenses which are determined by the base year operating expenses and are subject to reimbursement in subsequent years based on changes in the consumer price index for urban wage earners and clerical workers. This portion of rental income is recognized in the period in which it is earned. Tenant reimbursements also include amounts due from tenants for real estate taxes and other reimbursements. Real estate taxes over the base year are reimbursed by the tenant and are recognized as revenues in the period during which the revenues are earned.

Tenant reimbursements are recognized and presented in accordance with accounting guidance which requires that these reimbursements be recorded on a gross basis because the Portfolio is generally the primary obligor with respect to the goods and services the purchase of which gives rise to the reimbursement obligation; because the Portfolio has discretion in selecting the vendors and suppliers; and because the Portfolio bears the credit risk in the event tenants do not reimburse the Portfolio.

Government Properties Portfolio
Notes to the Combined Statements of Revenues and Certain Expenses
Nine Months Ended September 30, 2016 (Unaudited) and Year Ended December 31, 2015

Use of Estimates

Management has made a number of estimates and assumptions relating to the reporting and disclosure of revenues and certain expenses during the reporting period to prepare the accompanying Statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

Unaudited Interim Combined Statement

The combined statement of revenues and certain expenses for the nine months ended September 30, 2016 is unaudited. In the opinion of management, this statement reflects all adjustments necessary for a fair presentation of the results of the interim period. All such adjustments are of a normal recurring nature.

Note 3 – Operating Leases

The Properties are 100% leased to the U.S. Government through the GSA under non-cancelable operating leases with various expiration dates extending to 2023. Minimum future rentals for non-cancelable lease terms at December 31, 2015 are as follows (unaudited):

<u>Year</u>	<u>Minimum Rent</u>
2016	\$ 8,686
2017	8,686
2018	8,671
2019	7,658
2020	5,718
Thereafter	7,766
Total	<u>\$ 47,185</u>

Total minimum future rentals presented above do not include amounts to be received as tenant reimbursements, straight-line rent adjustments, or other income.

Note 4 – Subsequent Events

Management has evaluated subsequent events through December 27, 2016, which is the date the financial statements were available to be issued, and concluded that there are no items requiring adjustment of the financial statements or additional disclosure.

Easterly Government Properties, Inc.
Introduction to the Unaudited Pro Forma Consolidated Financial Statements

The unaudited pro forma consolidated financial statements (including notes thereto) of Easterly Government Properties, Inc. (together with its consolidated subsidiaries, the “Company”) are qualified in their entirety and should be read in conjunction with the historical financial statements included elsewhere.

During 2016 the Company acquired the Government Properties Portfolio from an unrelated third party. The Government Properties Portfolio consists of four properties with an aggregate 302,057 square feet, 100% leased to the U.S. Government through the General Services Administration (“GSA”). The acquisition of DEA – Birmingham, EPA – Kansas City, and FBI – Birmingham closed on July 1, 2016 and the acquisition of FBI – Albany closed on November 22, 2016. The Government Properties Portfolio had an aggregate purchase price of \$96.9 million which was funded by issuing 4,300,170 shares of the Company’s common stock with a fair value of \$77.4 million, a \$14.0 million draw on the Company’s senior unsecured revolving credit facility, and \$5.5 million in cash on hand.

The unaudited pro forma consolidated balance sheet as of September 30, 2016, reflects the financial position of the Company as if the acquisition of the Government Properties Portfolio had been completed on September 30, 2016. The unaudited pro forma consolidated statements of operations for the year ended December 31, 2015 and the nine months ended September 30, 2016 are presented as if the acquisition of the Government Properties Portfolio by the Company had occurred on February 11, 2015, the date of the Company’s initial public offering.

In management’s opinion, all adjustments necessary to reflect the acquisition of the Government Properties Portfolio have been made. The unaudited pro forma consolidated statements of operations should be read in conjunction with the historical financial statements and notes thereto of the Company included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2015 filed with the Securities and Exchange Commission on March 2, 2016 and the Company’s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2016 filed with the Securities and Exchange Commission on November 8, 2016.

The unaudited pro forma consolidated financial statements as of September 30, 2016 and for the year ended December 31, 2015 and the nine months ended September 30, 2016 are not necessarily indicative of what the Company’s actual financial condition would have been at September 30, 2016 or what the Company’s actual results of operations would have been assuming the transactions had occurred as of February 11, 2015, nor do they purport to represent our financial condition or results of operation for future periods.

Easterly Government Properties, Inc.
Unaudited Pro Forma Consolidated Balance Sheet
As of September 30, 2016
(Amounts in thousands, except share amounts)

	<u>Easterly Government Properties, Inc.</u> (A)	<u>Government Properties Portfolio</u> (B)	<u>Company Pro Forma</u>
Assets			
Real estate properties, net	\$ 880,962	\$ 18,539	\$ 899,501
Cash and cash equivalents	4,358	(4,358)	—
Restricted cash	1,432	—	1,432
Deposits on acquisitions	1,250	(500)	750
Rents receivable	7,464	—	7,464
Accounts receivable	4,136	—	4,136
Deferred financing, net	3,007	—	3,007
Intangible assets, net	116,100	3,071	119,171
Prepaid expenses and other assets	1,845	—	1,845
Total assets	<u>\$ 1,020,554</u>	<u>\$ 16,752</u>	<u>\$ 1,037,306</u>
Liabilities			
Revolving credit facility	206,667	14,000	220,667
Mortgage notes payable, net	81,552	—	81,552
Intangible liabilities, net	41,894	1,918	43,812
Accounts payable and accrued liabilities	13,516	834	14,350
Total liabilities	<u>343,629</u>	<u>16,752</u>	<u>360,381</u>
Equity			
Common stock, par value \$0.01, 200,000,000 shares authorized, 35,161,192 shares issued and outstanding at September 30, 2016.	352	—	352
Additional paid-in capital	568,520	—	568,520
Retained (deficit)	575	—	575
Cumulative dividends	(33,944)	—	(33,944)
Total stockholders' equity	<u>535,503</u>	<u>—</u>	<u>535,503</u>
Non-controlling interest in Operating Partnership	141,422	—	141,422
Total equity	<u>676,925</u>	<u>—</u>	<u>676,925</u>
Total liabilities and equity	<u>\$ 1,020,554</u>	<u>\$ 16,752</u>	<u>\$ 1,037,306</u>

The accompanying notes are an integral part of these consolidated financial statements.

Easterly Government Properties, Inc.
Unaudited Pro Forma Consolidated Statement of Operations
For the Nine Months Ended September 30, 2016
(Amounts in thousands, except share and per share amounts)

	<u>Easterly Government Properties, Inc.</u> (AA)	<u>Government Properties Portfolio</u> (BB)	<u>Other Adjustments</u>	<u>Company Pro Forma</u> (II)
Revenues				
Rental income	\$ 68,520	\$ 4,845	\$ 985	(DD) \$ 74,350
Tenant reimbursements	7,016	815	—	7,831
Other income	331	—	—	331
Total revenues	75,867	5,660	985	82,512
Operating expenses				
Property operating	14,726	1,171	—	15,897
Real estate taxes	7,233	718	—	7,951
Depreciation and amortization	34,174	—	3,603	(EE) 37,777
Acquisition costs	1,339	—	(203)	(FF) 1,136
Corporate general and administrative	9,154	—	—	9,154
Total expenses	66,626	1,889	3,400	71,915
Operating income	9,241	3,771	(2,415)	10,597
Other (expenses) / income				
Interest expense, net	(5,967)	—	(203)	(GG) (6,170)
Net income (loss)	3,274	3,771	(2,618)	4,427
Non-controlling interest in Operating Partnership	(1,005)	—	(278)	(HH) (1,283)
Net income (loss) available to Easterly Government Properties, Inc.	\$ 2,269	\$ 3,771	\$ (2,896)	\$ 3,144
Net income (loss) available to Easterly Government Properties, Inc. per share:				
Basic	\$ 0.08			\$ 0.10
Diluted	\$ 0.07			\$ 0.09
Weighted-average common shares outstanding				
Basic	28,886,697			31,366,357
Diluted	30,722,389			33,202,049

The accompanying notes are an integral part of these consolidated financial statements.

Easterly Government Properties, Inc.
Unaudited Pro Forma Consolidated Statement of Operations
For the Year Ended December 31, 2015
(Amounts in thousands, except share and per share amounts)

	<u>Easterly Government Properties, Inc.</u> (AA)	<u>Government Properties Portfolio</u> (CC)	<u>Other Adjustments</u>	<u>Company Pro Forma</u> (II)
Revenues				
Rental income	\$ 64,942	\$ 7,924	\$ 1,330	\$ 74,196 (DD)
Tenant reimbursements	6,233	1,135	—	7,368
Other income	203	—	—	203
Total revenues	<u>71,378</u>	<u>9,059</u>	<u>1,330</u>	<u>81,767</u>
Operating expenses				
Property operating	13,340	1,697	—	15,037
Real estate taxes	6,983	1,053	—	8,036
Depreciation and amortization	33,561	—	5,467	39,028 (EE)
Acquisition costs	2,887	—	—	2,887
Formation expenses	1,666	—	—	1,666
Corporate general and administrative	8,817	—	—	8,817
Fund general and administrative	75	—	—	75
Total expenses	<u>67,329</u>	<u>2,750</u>	<u>5,467</u>	<u>75,546</u>
Operating income	<u>4,049</u>	<u>6,309</u>	<u>(4,137)</u>	<u>6,221</u>
Other (expenses) / income				
Interest expense, net	(4,972)	—	(240)	(5,212) (GG)
Net unrealized (loss) on investments	(5,122)	—	—	(5,122)
Net income (loss)	<u>(6,045)</u>	<u>6,309</u>	<u>(4,377)</u>	<u>(4,113)</u>
Non-controlling interest in Operating Partnership	4,351	—	(700)	3,651 (HH)
Net income (loss) available to Easterly Government Properties, Inc.	<u>\$ (1,694)</u>	<u>\$ 6,309</u>	<u>\$ (5,077)</u>	<u>\$ (462)</u>
Net income (loss) available to Easterly Government Properties, Inc. per share:				
Basic	\$ (0.08)			\$ (0.02)
Diluted	\$ (0.08)			\$ (0.02)
Weighted-average common shares outstanding				
Basic	21,430,016			25,247,153
Diluted	21,430,016			25,247,153

The accompanying notes are an integral part of these consolidated financial statements.

1. Adjustments to the Unaudited Pro Forma Consolidated Balance Sheet

The adjustments to the unaudited pro forma consolidated balance sheet as of September 30, 2016 are as follows:

- (A) Reflects the unaudited consolidated balance sheet of Easterly Government Properties, Inc. as of September 30, 2016. This balance includes the acquisitions of three properties in the Government Properties Portfolio, DEA – Birmingham, EPA – Kansas City, and FBI – Birmingham, that closed on July 1, 2016.
- (B) Reflects the acquisition of FBI – Albany, the final acquisition in the Government Properties Portfolio, which closed on November 22, 2016. This acquisition was funded using \$14.0 million from the Company’s senior unsecured revolving credit facility and cash on hand. The following pro forma adjustments are necessary to reflect the initial allocation of the estimated purchase price of this acquisition. The allocation of purchase price shown in the table below is based on the Company’s best estimate and is subject to change based on the final determination of the fair value of assets and liabilities acquired.

<u>Real estate properties, net</u>	
Land	\$ 1,411
Building	17,128
Total Real estate properties, net	<u>\$ 18,539</u>
<u>Intangible assets, net</u>	
In-place leases	\$ 2,968
Acquired leasing commissions	103
Total Intangible assets, net	<u>\$ 3,071</u>
<u>Intangible liabilities, net</u>	
Below market leases	\$ (1,918)
Total Intangible liabilities, net	<u>\$ (1,918)</u>

2. Adjustments to the Unaudited Pro Forma Consolidated Statements of Operations

The adjustments to the unaudited pro forma consolidated statements of operations for the nine months ended September 30, 2016 and for the year ended December 31, 2015 are as follows:

- (AA) Reflects the historical results of Easterly Government Properties, Inc. for the nine months ended September 30, 2016 (unaudited) and year ended December 31, 2015, respectively.
- (BB) Reflects the combined statements of revenues and certain expenses of the Government Properties Portfolio for the nine months ended September 30, 2016 (unaudited). The nine months ended September 30, 2016 includes the operations for DEA – Birmingham, EPA – Kansas City, and FBI – Birmingham for the period from January 1, 2016 through June 30, 2016 and the operations of FBI – Albany for the period from January 1, 2016 through September 30, 2016. Operations for DEA – Birmingham, EPA – Kansas City, and FBI – Birmingham for the period from July 1, 2016 through September 30, 2016 are included in the Easterly Government Properties, Inc. Quarterly Report on Form 10-Q for the period ended September 30, 2016 filed with the Securities and Exchange Commission on November 8, 2016.
- (CC) Reflects the combined statements of revenues and certain expenses of the Government Properties Portfolio for the year ended December 31, 2015 prorated assuming the Government Properties Portfolio was acquired on February 11, 2015, the date of the Company’s initial public offering.
- (DD) The pro forma adjustment for rental income represents straight-line rent adjustments and above/below market lease amortization assuming the Government Properties Portfolio was acquired on February 11, 2015, the date of the Company’s initial public offering.
- (EE) The pro forma adjustment for depreciation expense is based on the Company’s basis in the assets that would have been recorded assuming the Government Properties Portfolio was acquired on February 11, 2015, the date of the initial public offering. Depreciation and amortization amounts were determined in accordance with the Company’s policies and are based on management’s evaluation of the estimated useful lives of the properties and intangibles. The amounts allocated to buildings are depreciated over 40 years. The amounts allocated to lease intangibles are amortized over the remaining life of the related leases.
- (FF) Historical external property acquisition expenses directly attributable to the Government Properties Portfolio have been excluded from the pro forma consolidated statement of operations because they are nonrecurring costs directly attributable to the acquisitions.
- (GG) Reflects the additional estimated interest expense on the Company’s senior unsecured revolving credit facility assuming the Government Properties Portfolio was acquired on February 11, 2015, the date of the initial public offering.
- (HH) Non-controlling interest in Operating Partnership is adjusted based on the additional pro forma earnings and the shares outstanding due to the acquisition of the Portfolio.

(II) The pro forma weighted average common shares outstanding are calculated as if 4,300,170 shares of the primary equity offering used to purchase the Government Properties Portfolio in June 2016 had occurred on February 11, 2015, the date of the Company's initial public offering.