Terreno Realty Corporation

Q2 2016 Update

July 27, 2016

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Forward Looking Statements

This presentation contains forward-looking statements within the meaning of the federal securities laws. All statements other than statements of historical fact are forward-looking statements and, in some cases, can be identified by the use of the words “anticipate”, “believe”, “estimate”, “expect”, “intend”, “may”, “might”, “plan”, “project”, “result”, “should”, “will”, “opportunity” and similar expressions. These statements are subject to risks, uncertainties, and assumptions and are not guarantees of future performance, which may be affected by known and unknown risks, trends, uncertainties, and factors that are beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated, or projected.

We caution investors that forward-looking statements are based on management’s beliefs and on assumptions made by, and information currently available to, management. Factors that may cause actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements include, but are not limited to: (i) our ability to identify and acquire industrial properties on terms favorable to us; (ii) general volatility of the capital markets and the market price of our stock; (iii) adverse economic or real estate conditions or developments in the industrial real estate sector and/or in the markets in which we acquire properties; (iv) our dependence on key personnel and our reliance on third parties to property manage the majority of our industrial properties; (v) our dependence upon tenants; (vi) our ability to comply with the laws, rules and regulations applicable to companies, and in particular, public companies; (vii) our ability to manage our growth effectively; (viii) tenant bankruptcies and defaults on or non-renewal of leases by tenants; (ix) decreased rental rates or increased vacancy rates; (x) increased interest rates and operating costs; (xi) declining real estate valuations and impairment charges; (xii) our expected leverage, our failure to obtain necessary outside financing, and future debt obligations; (xiii) our ability to make distributions to our stockholders; (xiv) our failure to successfully hedge against interest rate increases; (xv) our failure to successfully operate acquired properties; (xvi) our failure to maintain our status as a real estate investment trust (“REIT”) and possible adverse changes to tax laws; (xvii) uninsured or underinsured losses relating to our properties; (xviii) environmental uncertainties and risks related to natural disasters; (xix) financial market fluctuations; and (xx) changes in real estate and zoning laws and increases in real property tax rates. Other factors that could materially affect results can be found in the Company’s Annual Report on Form 10-K for the year ended December 31, 2015, including those set forth under the sections titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” in the Company’s preliminary prospectus supplement relating to the offering under the section titled “Risk Factors”, and in our other public filings.

We expressly disclaim any responsibility to update our forward-looking statements, whether as a result of new information, future events, or otherwise. Accordingly, investors should use caution in relying on past forward-looking statements, which are based on results and trends at the time they are made, to anticipate future results or trends.

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Investment Strategy

Unique and Highly Selective Market Approach

- Acquire, own and operate industrial real estate in six major coastal U.S. markets. Exclusively.
  - Mix of core and value-add investments
  - No ground up development
  - No complex joint ventures
- Superior market fundamentals, including lower availability and higher rent growth
  - Strong demand generators (high population densities, near high volume distribution points)
  - Physical and regulatory constraints to new supply
    - Shrinking supply in certain submarkets

Focus on Functional Assets in Infill Locations

- Broad product opportunity set[(1)(2)]
  - Warehouse / distribution (92.8%)
  - Flex (including light industrial and R&D) (5.6%)
  - Trans-shipment (1.6%)
- Functional and flexible assets
  - Generally suitable for multiple tenants
  - In proximity to transportation infrastructure
  - Caters to sub-market tenant demands including last mile distrubution
- Multiple value creation opportunities
  - Emphasis on discount to replacement cost to provide for margin of safety
  - Opportunity for higher and better use over time

(1) Reflects Terreno portfolio composition based on square footage at June 30, 2016.
(2) Terreno also owns three improved land parcels totaling approximately 8.0 acres that are leased to three tenants. Such land is used for truck, trailer and container storage and/or car parking.

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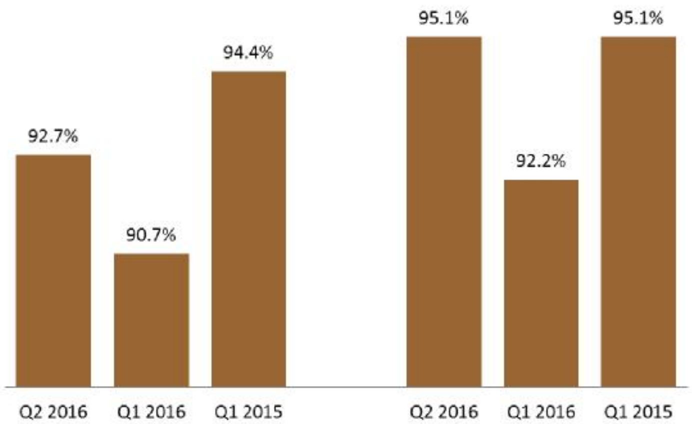
Recent Highlights

Occupancy

Portfolio | **Same Store**



Operating Highlights

- Cash rents on new and renewed leases commencing during the three and six months ended June 30, 2016 increased approximately 11.2% and 9.0%, respectively.
- Executed a five-year lease for 221,000 square feet at 130 Interstate in South Brunswick, New Jersey that commences on September 1, 2016. This lease represents approximately 2.0% of the Company's total square footage and 2.5% of the Company's same store total square footage.

Investment and Capital Markets Activities

- Issued 2,578,640 shares of common stock under the ATM program during the second quarter with a weighted average offering price of $24.27 per share, receiving gross proceeds of approximately $62.6 million; year-to-date through June 30, 2016, issued 2,629,608 shares of common stock receiving gross proceeds of approximately $63.8 million.
- Increased common stock dividend by 11.1% to $0.20 per share quarterly
- Completed the private placement of $50 million 10-year senior unsecured notes that bear interest at 3.99%
- During the second quarter of 2016, closed approximately $20.9 million of acquisitions comprising approximately 162,000 square feet. Year-to-date through July 27, 2016, acquired approximately 287,500 square feet and two improved land sites totaling approximately 17.9 acres for approximately $56.2 million.
- As of July 27, 2016, $47.5 million of acquisitions were under contract, $24.9 million were under letter of intent and one asset was held for sale with a sales price of $6.1 million[(1)]

(1) There is no assurance that we will acquire or dispose of the properties under contract or letter of intent because the proposed acquisitions and disposition are subject to the completion of satisfactory due diligence and various closing conditions and, in the case of properties under letter of intent, purchase and sale agreements.

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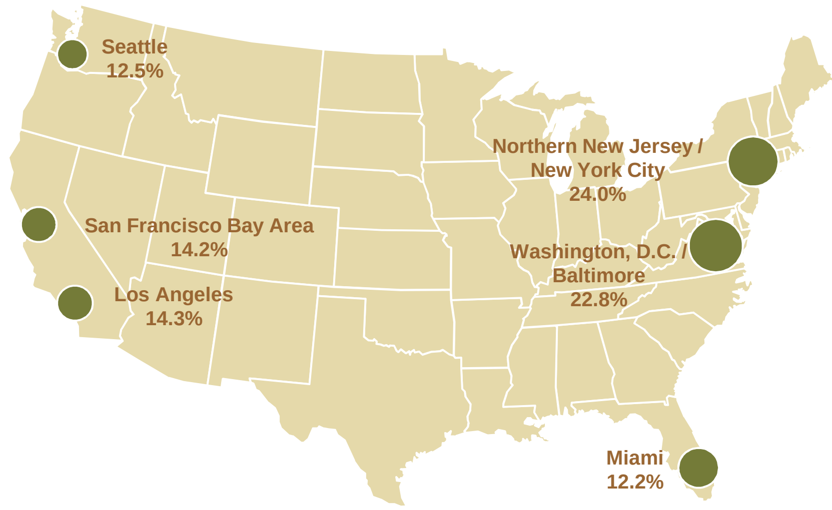
Current Portfolio Overview

Key Metrics[1]

Square Feet	11.2 Million
Number of Buildings	153
Total Investments in Properties	$1.2 billion
Average Acquisition Size	$12.3 million
Weighted Average Occupancy at Acquisition	81.2%
Occupancy as of June 30, 2016	92.7%

Current Portfolio by Geography [2]



(1) *Properties owned as of June 30, 2016*

(2) *Based on purchase price by market aggregating approximately 11.2 million square feet owned at June 30, 2016, including approximately $21.3 million in purchase price related to the South Main asset undergoing redevelopment and three improved land parcels consisting of 8.0 acres.*

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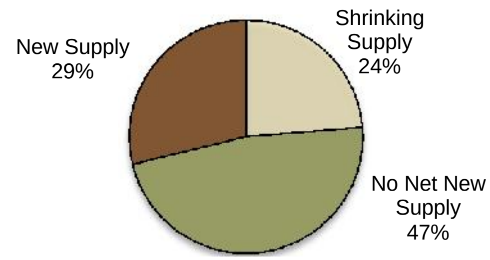
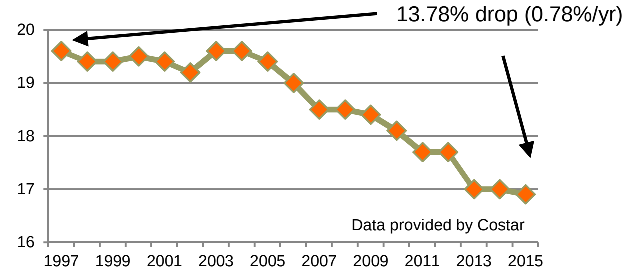
Terreno's Submarket Focus

Market	Shrinking Supply (1)	No Net New Supply (2)	New Supply (3)
Los Angeles	LAX West of 405	South Bay Commerce/Vernon Mid-Counties San Fernando Valley Orange County	Inland Empire West Inland Empire East
New York City/Northern New Jersey	Secaucus Bayonne Jersey City Teterboro	Meadowlands Newark/Elizabeth Fairfield Exit 12 JFK	Exit 8A Exit 10 / I 287
San Francisco Bay Area	Silicon Valley South SF	East Bay	Livermore
Miami	Central Dade	Airport/Doral Hialeah	Medley Airport North North Dade Miami Lakes
Seattle	South Seattle Tukwila	Kent SeaTac Renton	Auburn Sumner Fife Pullayup
Washington D.C./Baltimore	D.C. Inside the D.C. Beltway	Corridor Close in PG County Close in NOVA	Dulles

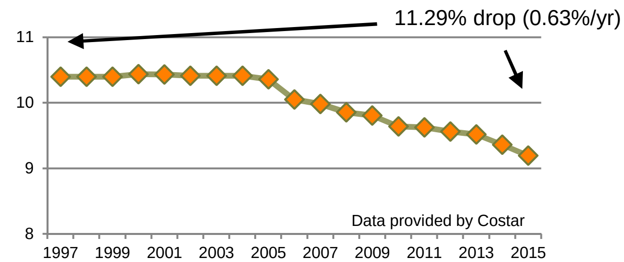
Terreno Portfolio [4]



South San Francisco Industrial Inventory (million of SF)



Washington, D.C. Industrial Inventory (million of SF)



(1) Shrinking Supply: Characterized by shrinking industrial supply and opportunities to convert existing industrial buildings into a higher and better use.
(2) No Net New Supply: Characterized by older existing B & C product industrial buildings with opportunities to redevelop into modern, more functional industrial buildings with very little land available for industrial development. Some change of use evident.
(3) New Supply: Characterized by industrial buildings that will remain in their current state for the foreseeable future with land available for industrial development.
(4) Reflects Terreno portfolio composition based on geography and purchase price.

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Selected Recent Acquisitions

New Ridge Road

Hanover, MD
July 12, 2016

- Purchase Price: $8.2 million
- Estimated Stabilized Cap Rate: 7.9%
- Size: An improved land investment containing 13.4 acres, of which 8.7 acres are paved
- Occupancy: 100% leased to one tenant at acquisition
- Location: Adjacent to Baltimore Washington International Airport, the Baltimore Washington Parkway (MD Highway 295) and MD Route 100.

Denver Ave

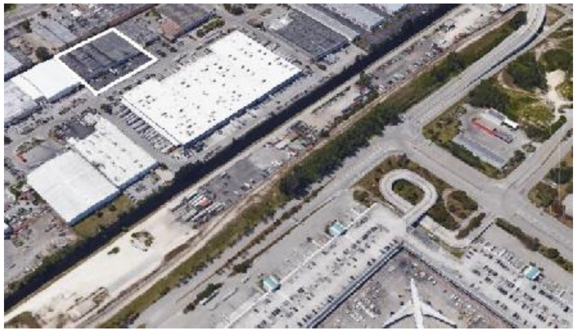
Seattle, WA
May 6, 2016

- Purchase Price: $4.7 million
- Estimated Stabilized Cap Rate: 5.5%
- Size: One industrial building containing approximately 25,000 square feet on approximately 1.5 acres
- Occupancy: 100% leased to one tenant at acquisition
- Location: Adjacent to Seattle's Port and SoDo district

NW 70th Ave II

Miami, FL
May 4, 2016

- Purchase Price: $6.4 million
- Estimated Stabilized Cap Rate: 6.3%
- Size: One industrial distribution building containing approximately 54,000 square feet on 1.9 acres
- Occupancy: 100% leased to two tenants at acquisition
- Location: Adjacent to Miami International Airport



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Selected Examples of Value Creation

- In addition to the acquisition and operation of core properties, Terreno also focuses on value add projects. Since its IPO, approximately half of Terreno's acquisitions have been value-add investments. Terreno has successfully stabilized 38 value add investments to date.

Strategy	Examples
Repositioning/ Redeveloping of Vacant Properties	▪ South Main: The property consisted at acquisition of three industrial buildings acquired in 2012 containing approximately 186,000 square feet and one office building acquired in 2014 containing approximately 34,000 square feet on approximately 14.3 total acres. The three industrial buildings have been demolished and are being replaced by a single new front-load industrial distribution building containing approximately 210,000 square feet. The office building is being renovated. The expected redevelopment cost is approximately $17.4 million. The estimated stabilized return on cost of the redeveloped property is approximately 6.1% with a total expected investment of approximately $38.9 million.
Vacant and Near Term Lease Expirations	▪ V Street: The District of Columbia property was purchased 87% occupied with near-term lease roll in January 2015 and was 95% leased as of April 30, 2016. ▪ Kent Corporate Park: This approximately 138,000 square foot industrial property in Kent, WA was acquired in July 2015 and was 94% leased with near-term lease roll. Approximately 57,000 square feet of new and renewal leasing was completed and this property was 100% leased as of December 31, 2015.
Value Realized	▪ Fortune/Qume: Terreno acquired a 100% leased property with near-term lease roll in March 2010 for approximately $5.6 million. Terreno sold the property in February 2016 for approximately $8.2 million and recognized an estimated unleveraged internal rate of return of approximately 11.3%. The capital was recycled into new acquisitions. ▪ Global Plaza: Terreno acquired one 100% leased Sterling, VA industrial building in March 2012 out of bankruptcy for approximately $6.1 million. Terreno sold the property in March 2016 for approximately $8.2 million and recognized an estimated unleveraged internal rate of return of approximately 13.2%. The capital was recycled into new acquisitions.

Value Creation – Capital Recycling

- **Property:** Sweitzer
- **Location:** Laurel, MD
- **Size:** One building, 85,000 SF on 6.9 acres
- **Acquisition Price:** $7.0 million, $82 PSF ($23 per land SF) in October 2012
- **Sale Price:** $11.2 million, $132 PSF ($37 per land SF)
- **Occupancy:** 100% leased but unoccupied at acquisition
- **Disposition:** Sold to adjacent user to expand trailer and employee parking
- **Unleveraged IRR:** 21.5%

Value Creation – Disposed of building in November 2015 for a sale price of $11.2 million generating an estimated unleveraged internal rate of return of 21.5%

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Value Creation – Redevelopment

BEFORE

AFTER

- **Property:** South Main
- **Location:** Carson, CA
- **Acquisition size and price:** Three industrial buildings totaling 186,000 SF and one 34,000 SF office building on 14.3 acres acquired for $21.3 million ($34.53 per SF of land)
- **Occupancy:** Industrial buildings were purchased at a 0.3% in-place cap rate and subject to a ground lease until June 30, 2015 and the adjacent 34,000 square foot office building was 100% occupied
- **Redevelopment:** Demolish existing industrial buildings and construct a front-load industrial distribution building containing approximately 210,000 square feet and renovate the existing office building. The incremental development cost is approximately $17.4 million for a total expected investment of $38.9 million. The property was approximately 74% pre-leased as of June 30, 2016

Value Creation – Total expected investment of approximately $38.9 million expected to generate an estimated stabilized return on cost of 6.1%

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Market Leading Corporate Structure

Management Alignment

- Executive Team's long-term incentive compensation fully aligned with stockholders; tied solely to three-year total stockholder return exceeding the MSCI U.S. REIT Index and FTSE NAREIT Equity Industrial Index
  - No annual cash bonus plan for CEO and President with their long-term incentive compensation paid solely in stock
- No stock options, SARs, dividend equivalent units or UPREIT units
- Significant senior management and board investment in common shares (approximately 3% of outstanding shares)

Corporate Governance

- Majority independent directors with diverse expertise serving annual terms
- Adopted a majority voting standard in non-contested director elections
- Opted out of two Maryland anti-takeover provisions (no opt in without stockholder approval)
- Ownership limits designed to protect REIT status and not for the purpose of serving as an anti-takeover device
- No stockholder rights plan intended unless approved in advance by stockholders or if adopted, subject to termination if not ratified by stockholders within 12 months

Key Takeaways

- Focused strategy
  - Six major coastal US markets exclusively
  - Flexible and functional assets in infill locations
- Acquisition opportunities across our target markets at discounts to replacement cost
  - Ability to convert value-add investments into stabilized assets and realize value
  - Higher and better use opportunities over time
- Strong balance sheet including an investment grade credit rating
- Aligned management team and market leading corporate governance
  - CEO and President incentive compensation based solely on total shareholder return outperformance and EVPs' long-term incentive compensation based on total shareholder return performance
  - Executive management invested approximately $11 million in common shares through the company's public offerings and open market purchases

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Appendix

Appendix: Statements Of Operations

CONSOLIDATED STATEMENTS OF OPERATIONS	For the Three Months Ended June 30, 2016	For the Three Months Ended June 30, 2015	For the Six Months Ended June 30, 2016	For the Six Months Ended June 30, 2015
REVENUES				
Rental revenues	$ 20,515	$ 19,444	$ 40,513	$ 37,251
Tenant expense reimbursements	5,302	4,793	10,961	10,117
Total revenues	25,817	24,237	51,474	47,368
COSTS AND EXPENSES				
Property operating expenses	7,102	6,197	14,856	13,327
Depreciation and amortization	8,080	8,229	16,342	15,855
General and administrative (1)	4,298	3,089	7,738	6,924
Acquisition costs	484	214	1,443	3,432
Total costs and expenses	19,964	17,729	40,379	39,538
OTHER INCOME (EXPENSE)				
Interest and other income	6	4	19	11
Interest expense, including amortization	(3,076)	(2,159)	(6,146)	(4,333)
Gain on sales of real estate investments	-	6,319	5,248	6,319
Total other income and expenses	(3,070)	4,164	(879)	1,997
Net income	2,783	10,672	10,216	9,827
Preferred stock dividends	(891)	(891)	(1,783)	(1,783)
Net income, net of preferred stock dividends	1,892	9,781	8,433	8,044
Allocation to participating securities	(15)	(28)	(72)	(22)
Net income available to common stockholders, net of preferred stock dividends	$ 1,877	$ 9,753	$ 8,361	$ 8,022
EARNINGS PER COMMON SHARE - BASIC AND DILUTED:				
Net income available to common stockholders, net of preferred stock dividends	$ 0.04	$ 0.23	$ 0.19	$ 0.19
BASIC AND DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	43,839,910	42,898,126	43,417,508	42,815,423

(1) *Includes non-cash compensation associated with the Company's Performance Share Awards. The Company estimates the fair value of the Performance Share Awards using a Monte Carlo simulation model on the date of grant and at each reporting period. The Performance Share Awards are recognized as compensation expense over the requisite performance period based on the fair value of the Performance Share Awards at the balance sheet date. Compensation expense related to the Performance Share awards was as follows:*

	For the Three Months Ended June 30, 2016	For the Three Months Ended June 30, 2015	For the Six Months Ended June 30, 2016	For the Six Months Ended June 30, 2015
Performance share award expense	$ 1,088	$ 535	$ 1,716	$ 1,940

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Appendix: Net Income, FFO and Adjusted FFO

NET INCOME, FFO AND ADJUSTED FFO	For the Three Months Ended June 30, 2016	2015	For the Six Months Ended June 30, 2016	2015
Total revenues	$ 25,817	$ 24,237	$ 51,474	$ 47,368
Property operating expenses	(7,102)	(6,197)	(14,856)	(13,327)
Depreciation and amortization	(8,080)	(8,229)	(16,342)	(15,855)
General and administrative	(4,298)	(3,089)	(7,738)	(6,924)
Acquisition costs	(484)	(214)	(1,443)	(3,432)
Interest and other income	6	4	19	11
Interest expense, including amortization	(3,076)	(2,159)	(6,146)	(4,333)
Gain on sales of real estate investments	-	6,319	5,248	6,319
Net income	**2,783**	**10,672**	**10,216**	**9,827**
Preferred stock dividends	(891)	(891)	(1,783)	(1,783)
Net income, net of preferred stock dividends	**$ 1,892**	**$ 9,781**	**$ 8,433**	**$ 8,044**
Allocation to participating securities	(15)	(28)	(72)	(22)
Net income available to common stockholders, net of preferred stock dividends	**$ 1,877**	**$ 9,753**	**$ 8,361**	**$ 8,022**
Net income available to common stockholders per common share, net of preferred stock dividends	**$ 0.04**	**$ 0.23**	**$ 0.19**	**$ 0.19**
Adjustments to arrive at Funds from Operations:				
Gain on sales of real estate investments	-	(6,319)	(5,248)	(6,319)
Depreciation and amortization related to real estate	8,059	8,201	16,299	15,800
Allocation to participating securities	(88)	(33)	(173)	(48)
Funds from operations (1)	**$ 9,863**	**$ 11,630**	**$ 19,311**	**$ 17,477**
Funds from operations per common share (basic and diluted)	**$ 0.22**	**$ 0.27**	**$ 0.44**	**$ 0.41**
Adjustments to arrive at Adjusted Funds From Operations:				
Acquisition costs	484	214	1,443	3,432
Stock-based compensation	1,922	1,041	2,933	2,682
Straight-line rents	(1,089)	(876)	(2,535)	(2,184)
Amortization of lease intangibles	(330)	(636)	(674)	(1,217)
Total capital expenditures	(15,836)	(3,800)	(21,331)	(8,410)
Capital expenditures related to stabilization (2)	12,908	1,583	16,595	3,339
Adjusted funds from operations	**$ 7,922**	**$ 9,156**	**$ 15,742**	**$ 15,119**
Common stock dividends paid	**$ 7,813**	**$ 6,872**	**$ 15,609**	**$ 13,731**
Weighted average basic and diluted common shares	**43,839,910**	**42,898,126**	**43,417,508**	**42,815,423**

(1) Includes expensed acquisition costs of approximately $0.5 million and $0.2 million for the three months ended June 30, 2016 and 2015, respectively and $1.4 million and $3.4 million for the six months ended June 30, 2016 and 2015, respectively

(2) Capital expenditures related to stabilization includes costs incurred related to leasing acquired vacancy and renovation projects

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Appendix: Supplemental Components of NAV

COMPONENTS OF NET OPERATING INCOME		*For the Three Months Ended June 30, 2016*
Total revenues	$	25,817
Less straight-line rents		(1,089)
Less amortization of lease intangibles		(330)
Less property operating expenses		(7,102)
Net operating income	$	17,296
CONTRACTUAL RENT ABATEMENTS [(1)]	$	918
ADJUSTMENTS TO STABILIZE PORTFOLIO		
BALANCE SHEET ITEMS		
Other assets and liabilities		
Cash and cash equivalents	$	22,196
Restricted cash		2,216
Construction in progress [(2)]		34,860
Other assets, net		32,777
Less straight-line rents		(15,078)
Security deposits		(8,238)
Dividends payable		(8,290)
Accounts payable and other liabilities		(21,755)
Total other assets and liabilities	$	38,688
DEBT AND PREFERRED STOCK		
Credit facility	$	-
Term loans payable		(200,000)
Senior unsecured notes		(100,000)
Mortgage loans payable		(77,933)
Total debt	$	(377,933)
Preferred stock		(46,000)
Total debt and preferred stock	$	(423,933)
Total shares outstanding		46,053,976

Q2 2016 Acquisitions

Property Name	Date	Purchase Price (in thousands)	Estimated Stabilized Cap Rate	Leased % at Acquisition
Lund	April 21, 2016	$ 7,350	5.1%	100%
NW 70th II	May 4, 2016	6,355	6.3%	100%
Denver	May 6, 2016	4,741	5.5%	100%
901 North	June 10, 2016	2,500	6.3%	100%
Total/Weighted Average		$ 20,946	5.7%	100%

SUMMARY MARKET INFORMATION (Investments in Real Estate)

Market	Rentable Square Feet	Occupancy Percentage as of June 30, 2016	Annualized Base Rent (000's)	Annualized Base Rent Per Occupied Square Foot
Los Angeles [(2)]	1,348,802	92.3%	$ 9,863	$ 7.92
Northern New Jersey/New York City	2,749,668	86.6%	19,270	8.09
San Francisco Bay Area	1,227,283	99.8%	12,601	10.29
Seattle	1,526,049	86.3%	8,525	6.47
Miami	1,797,602	98.0%	12,551	7.12
Washington, D.C./Baltimore	2,578,028	96.2%	18,571	7.49
Total/Weighted Average	11,227,432	92.7%	$ 81,381	$ 7.82

SUMMARY MARKET INFORMATION (Improved Land)

Market	Number of Parcels	Acreage	Occupancy Percentage as of June 30, 2016	Annualized Base Rent (000's)
Los Angeles	1	1.2	100.0%	$ 146
Northern New Jersey/New York City	1	4.5	100.0%	425
San Francisco Bay Area	-	-	-	-
Seattle	-	-	-	-
Miami	1	2.3	100.0%	202
Washington, D.C./Baltimore	-	-	-	-
Total/Weighted Average	3	8.0	100.0%	$ 773

(1) Represents contractual free rent given to tenants

(2) The South Main properties under redevelopment are excluded from the summary market information table and are expected to generate an estimated stabilized return on cost of approximately 6.1% with a total expected investment of approximately $38.9 million, excluding acquired intangible liabilities totaling approximately $2.3 million. The expected remaining cost to complete is approximately $5.5 million and the properties are approximately 74% pre-leased as of June 30, 2016.

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Appendix: Same Store and Disposition Results

SAME STORE GROWTH [1]	For the Three Months Ended June 30, 2016	2015	$ Change	% Change	For the Six Months Ended June 30, 2016	2015	$ Change	% Change
Net income	$ 2,783	$ 10,672	$ (7,889)	(73.9)%	$ 10,216	$ 9,827	$ 389	4.0%
Depreciation and amortization from continuing operations	8,080	8,229	(149)	(1.8)%	16,342	15,855	487	3.1%
General and administrative	4,298	3,089	1,209	39.1%	7,738	6,924	814	11.8%
Acquisition costs	484	214	270	126.2%	1,443	3,432	(1,989)	(58.0)%
Total other income and expenses	3,070	(4,164)	7,234	n/a	879	(1,997)	2,876	n/a
Net operating income	18,715	18,040	675	3.7%	36,618	34,041	2,577	7.6%
Less non-same store NOI	(3,902)	(3,627)	(275)	7.6%	(7,383)	(6,132)	(1,251)	20.4%
Same store NOI	$ 14,813	$ 14,413	$ 400	2.8%	$ 29,235	$ 27,909	$ 1,326	4.8%
Less straight-line rents and amortization of lease intangibles	(669)	(884)	215	(24.3)%	(1,588)	(2,273)	685	(30.1)%
Cash-basis same store NOI	$ 14,144	$ 13,529	$ 615	4.5%	$ 27,647	$ 25,636	$ 2,011	7.8%

HISTORICAL SAME STORE RESULTS [1] [2]	Full Year 2012	Full Year 2013	Full Year 2014	Full Year 2015	Q1 2016	Q2 2016
Same store square feet	2,235,500	3,091,365	4,792,329	6,312,641	8,667,109	8,667,109
Occupancy %	93.0%	96.8%	97.1%	94.4%	92.2%	92.2%
Cash-basis same store NOI growth %	11.9%	18.1%	12.9%	3.1%	11.5%	4.5%
Average cash-basis same store growth since IPO:			12.9%			

HISTORICAL DISPOSITIONS

Property	Acquisition Date	Disposition Date	Acquisition Price	Disposition Price	Unleveraged IRR
Rialto	September 2010	November 2012	$ 12,110	$ 16,962	20.9%
Maltese	September 2010	December 2013	16,500	19,000	11.8%
Warm Springs	March 2010	June 2015	7,264	13,400	15.1%
Sweitzer	October 2012	November 2015	6,950	11,200	21.5%
Fortune Qume	March 2010	February 2016	5,550	8,200	11.3%
Global Plaza	March 2012	March 2016	6,100	8,200	13.2%
		Total	$ 54,474	$ 76,962	14.8%

(1) Same Store NOI is computed as rental revenues, including tenant expense reimbursements, less property operating expenses on a same store basis. The same store pool includes all properties that were owned as of June 30, 2016 and since January 2015 and excludes properties that were disposed of or held for sale to a third party or are under redevelopment

(2) Historical Same Store Results include cash-basis same store NOI growth %'s as reported in the Company's Form 10-Q and 10K's. Previously reported cash-basis same store NOI growth has not been adjusted for properties that were subsequently disposed or are held for sale to a third party

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Appendix: Reporting Definitions

Adjusted Funds from Operations (AFFO): We compute AFFO by adding to or subtracting from FFO (see definition below) (i) acquisition costs (ii) stock-based compensation (iii) straight-line rents, (iii) amortization of above- and below-market lease intangibles and (iv) non-recurring capital expenditures required to stabilize acquired vacancy or renovation projects. We use AFFO as a meaningful supplemental measure of our operating performance because it captures trends in our portfolio operating results when compared year over year. We also believe that AFFO is a widely recognized supplemental measure of the performance of REITs and is used by investors as a basis to assess operating performance in comparison to other REITs. As a result, we believe that the use of AFFO, together with the required GAAP presentations, provide a more complete understanding of our operating performance.

Funds from Operations (FFO): We compute FFO in accordance with standards established by the National Association of Real Estate Investment Trusts ("NAREIT"), which defines FFO as net income (loss) (determined in accordance with GAAP), excluding gains (losses) from sales of property and impairment write-downs of depreciable real estate, plus depreciation and amortization on real estate assets and after adjustments for unconsolidated partnerships and joint ventures (which are calculated to reflect FFO on the same basis). We believe that presenting FFO provides useful information to investors regarding our operating performance because it is a measure of our operations without regard to specified non-cash items, such as real estate depreciation and amortization and gain or loss on sale of assets.

We believe that FFO is a meaningful supplemental measure of our operating performance because historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values have historically risen or fallen with market conditions, many industry investors and analysts have considered the presentation of operating results for real estate companies that use historical cost accounting alone to be insufficient. As a result, we believe that the use of FFO, together with the required GAAP presentations, provide a more complete understanding of our operating performance.

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Appendix: Reporting Definitions

Net Operating Income (NOI): We compute NOI as rental revenues, including tenant expense reimbursements, less property operating expenses. We compute same store NOI as rental revenues, including tenant expense reimbursements, less property operating expenses on a same store basis. NOI excludes depreciation, amortization, general and administrative expenses, acquisition costs and interest expense. We compute cash-basis same store NOI as same store NOI excluding straight-line rents and amortization of lease intangibles. The same store pool includes all properties that were owned as of June 30, 2016 and since January 1, 2015 and excludes properties that were either disposed of prior to, held for sale to a third party or in redevelopment as of June 30, 2016. As of June 30, 2016, the same store pool consisted of 117 buildings aggregating approximately 8.7 million square feet representing approximately 77.2% of our total square feet owned and two improved land parcels containing 3.5 acres. We believe that presenting NOI, same store NOI and cash-basis same store NOI provides useful information to investors regarding the operating performance of our properties because NOI excludes certain items that are not considered to be controllable in connection with the management of the property, such as depreciation, amortization, general and administrative expenses, acquisition costs and interest expense. By presenting same store NOI and cash-basis same store NOI, the operating results on a same store basis are directly comparable from period to period.

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