CommonWealth REIT
Form PRE 14A
June 11, 2014

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ý

Filed by a Party other than the Registrant o

Check the appropriate box:

ý Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

o Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material under §240.14a-12

COMMONWEALTH REIT

(Name of Registrant as Specified In Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

ý No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
(1) Title of each class of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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PRELIMINARY COPY SUBJECT TO COMPLETION DATED JUNE 11, 2014

COMMONWEALTH REIT

Two North Riverside Plaza, Suite 600
Chicago, IL 60606

June , 2014

Dear Shareholder:

You are cordially invited to the 2014 Annual Meeting of Shareholders, and any adjournments or postponements thereof (the "Annual Meeting"), of CommonWealth REIT (the "Company") to be held on Monday, June 30, 2014 at 10:00 a.m., Central Time. The Annual Meeting will be held at Two North Riverside Plaza, 24th Floor, Chicago, Illinois 60606. Once called to order, the Company intends to adjourn the Annual Meeting, prior to voting on any proposal, until July 31, 2014 at the same time and at the same location in order to give the Company's shareholders an ample opportunity to consider the proposals below, which are further described in the Company's proxy materials for the Annual Meeting, and to allow sufficient time for the Company to solicit proxies.

At the Annual Meeting, you will be asked to:

1. Elect 11 trustees to the Board of Trustees (the "Board");

2. Approve amendments to the Company's Third Amendment and Restatement of Declaration of Trust (the "Charter") that require approval of a majority of shares outstanding relating to (a) adoption of plurality voting in contested trustee elections, (b) lowering the general shareholder voting standard, (c) adoption of a majority voting standard for the transfer of all or substantially all assets of the Company, (d) conversion of indemnification rights to permissive to the full extent of Maryland law, (e) elimination of obligations of shareholders to indemnify the Company, (f) elimination of the external advisor provisions, (g) aligning the related party transaction requirements with Maryland law, (h) increasing flexibility in scheduling of annual meetings, (i) increasing flexibility in approval of investments, (j) increasing flexibility in the structure of committees of the Board, (k) elimination of shareholder approval of certain restructurings, (l) removal of trustees, (m) trustee actions by written consent and (n) conforming and other immaterial modifications and the amendment and restatement of the Charter, each as more fully described in the accompanying proxy statement;

3. Approve amendments to the Charter that require approval of 75% of the shares outstanding relating to (a) declassifying of the Board and providing for annual elections of trustees, (b) the voting standard for mergers, (c) the voting standard for Charter amendments, (d) the removal of the voting standard for combinations with 10% shareholders, (e) the increase in the number of permitted trustees, (f) installing revised REIT ownership limitation provisions and (g) the investment policy of the Company, each as more fully described in the accompanying proxy statement;

4. Approve the reimbursement to Related Fund Management, LLC and Corvex Management LP of expenses related to their consent solicitations;

5. Ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2014; and

6. Transact such other business as may properly come before the Annual Meeting.

The accompanying Notice of the Annual Meeting describes these matters.

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The Board appreciates and encourages your participation in the Annual Meeting. Whether or not you plan to attend the Annual Meeting, it is important that your shares be represented. Accordingly, please vote your shares. If you do attend the Annual Meeting, you may withdraw your proxy and vote in person.

Sincerely,

Sam Zell
Chairman of the Board of Trustees

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COMMONWEALTH REIT

Two North Riverside Plaza, Suite 600
Chicago, IL 60606

NOTICE OF 2014 ANNUAL MEETING OF SHAREHOLDERS
To be Held on June 30, 2014

To the Shareholders of CommonWealth REIT:

NOTICE IS HEREBY GIVEN that the 2014 Annual Meeting of Shareholders, and any adjournments or postponements thereof (the "Annual Meeting"), of CommonWealth REIT, a Maryland real estate investment trust (the "Company"), will be held on Monday, June 30, 2014 at 10:00 a.m., Central Time, at Two North Riverside Plaza, 24th Floor, Chicago, Illinois 60606 for the following purposes:

1. To elect 11 trustees to the Board of Trustees (the "Board");

2. To approve amendments to the Company's Third Amendment and Restatement of Declaration of Trust (the "Charter") that require approval of a majority of shares outstanding relating to (a) adoption of plurality voting in contested trustee elections, (b) lowering the general shareholder voting standard, (c) adoption of a majority voting standard for the transfer of all or substantially all assets of the Company, (d) conversion of indemnification rights to permissive to the full extent of Maryland law, (e) elimination of obligations of shareholders to indemnify the Company, (f) elimination of the external advisor provisions, (g) aligning the related party transaction requirements with Maryland law, (h) increasing flexibility in scheduling of annual meetings, (i) increasing flexibility in approval of investments, (j) increasing flexibility in the structure of committees of the Board, (k) elimination of shareholder approval of certain restructurings, (l) removal of trustees, (m) trustee actions by written consent and (n) conforming and other immaterial modifications and the amendment and restatement of the Charter, each as more fully described in the accompanying proxy statement;

3. To approve amendments to the Charter that require approval of 75% of the shares outstanding relating to (a) declassifying of the Board and providing for annual elections of trustees, (b) the voting standard for mergers, (c) the voting standard for Charter amendments, (d) the removal of the voting standard for combinations with 10% shareholders, (e) the increase in the number of permitted trustees, (f) installing revised REIT ownership limitation provisions and (g) the investment policy of the Company, each as more fully described in the accompanying proxy statement;

4. To approve the reimbursement to Related Fund Management, LLC and Corvex Management LP of expenses related to their consent solicitations;

5. To ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2014; and

6. To transact such other business as may properly come before the Annual Meeting.

Once called to order, the Company intends to adjourn the Annual Meeting, prior to voting on any proposal, until July 31, 2014 at the same time and at the same location in order to give the Company's shareholders an ample opportunity to consider the proposals above, which are further described in the Company's proxy materials for the Annual Meeting, and to allow sufficient time for the Company to solicit proxies.

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We know of no other matters to come before the Annual Meeting. Only holders of record of common shares at the close of business on June 23, 2014 are entitled to notice of and to vote at the Annual Meeting or at any adjournments or postponements thereof.

Regardless of the number of shares you hold, as a shareholder your role is very important, and the Board strongly encourages you to exercise your right to vote. You should have separately received our 2013 Annual Report to Shareholders, and our Proxy Statement and 2013 Annual Report to Shareholders are also available online at www.proxyvote.com.

We encourage you to contact the firm assisting us in the solicitation of proxies, D.F. King & Co., Inc. ("D.F. King"), if you have any questions or need assistance in voting your shares. Banks and brokers may call D.F. King collect at (212) 269-5550. Shareholders may call D.F. King toll-free at (800) 714-3313.

By Order of the Board of Trustees,

Orrin S. Shifrin
Executive Vice President,
General Counsel and Secretary

June , 2014
Chicago, Illinois 60606

WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, YOU ARE URGED TO VOTE BY INTERNET, BY TELEPHONE, OR BY MAIL BY COMPLETING, DATING AND SIGNING THE ACCOMPANYING PROXY CARD AND RETURNING IT PROMPTLY IN THE POSTAGE-PAID ENVELOPE PROVIDED. IF YOU ATTEND THE ANNUAL MEETING, YOU MAY WITHDRAW YOUR PROXY AND VOTE IN PERSON.

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COMMONWEALTH REIT

Two North Riverside Plaza, Suite 600
Chicago, IL 60606

PROXY STATEMENT

ABOUT THE ANNUAL MEETING

Why am I receiving this Proxy Statement?

This Proxy Statement is furnished by the Board of Trustees (the "Board") of CommonWealth REIT, a Maryland real estate investment trust, in connection with the Board's solicitation of proxies for the 2014 Annual Meeting of Shareholders of CommonWealth REIT, and any adjournments or postponements thereof (the "Annual Meeting"), to be held Monday, June 30, 2014 at 10:00 a.m., Central Time, at Two North Riverside Plaza, 24th Floor, Chicago, Illinois 60606. This Proxy Statement will first be made available to shareholders on or about June , 2014. Our 2013 Annual Report to Shareholders was first made available to shareholders on May 28, 2014. Unless the context requires otherwise, references in this Proxy Statement to "CommonWealth," "we," "our," "us" and the "Company" refer to CommonWealth REIT, a Maryland real estate investment trust, together with its consolidated subsidiaries.

Once the Annual Meeting is called to order, the Board intends to adjourn the Annual Meeting, prior to voting on any proposal, until July 31, 2014, at the same time of day and at the same location as the Annual Meeting, in order to give our shareholders an ample opportunity to consider the proposals described in this Proxy Statement and to allow sufficient time for us to solicit proxies.

How can I receive electronic access to the proxy materials?

This Proxy Statement and our 2013 Annual Report to Shareholders are available on our website at www.cwhreit.com. In addition, our shareholders may access this information, as well as transmit their voting instructions, at www.proxyvote.com by having their proxy card and related instructions in hand.

In addition, the enclosed proxy card contains instructions on how shareholders may request to receive future proxy materials in printed form, by mail or electronically by e-mail on an ongoing basis. Choosing to receive future proxy materials by e-mail will save us the cost of printing and mailing documents to you and will reduce the environmental impact of our annual meetings. If you choose to receive future proxy materials by e-mail, you will receive an e-mail next year with instructions containing a link to those materials and the proxy voting site. Your election to receive future proxy materials by e-mail will remain in effect until you terminate it.

What am I being asked to vote on?

You are being asked to vote on the following proposals:

Proposal 1 (Election of Trustees): The election of 11 trustees to our Board;

Proposal 2 (Certain Amendments to our Declaration of Trust (Majority Approval)): The approval of amendments to our Third Amended and Restated Declaration of Trust (the "Charter") that require approval of a majority of shares outstanding relating to (a) adoption of plurality voting in contested trustee elections, (b) lowering the general shareholder voting standard, (c) adoption of a majority voting standard for the transfer of all or substantially all assets of the Company, (d) conversion of indemnification rights to permissive to the full extent of Maryland law, (e) elimination of obligations of shareholders to indemnify the Company, (f) the elimination of

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the external advisor provisions, (g) aligning the related party transaction requirements with Maryland law, (h) increasing flexibility in the scheduling of annual meetings, (i) increasing flexibility in approval of investments, (j) increasing flexibility in the structure of committees of the Board, (k) elimination of shareholder approval of certain restructurings, (l) the removal of trustees, (m) trustee actions by written consent and (n) conforming and other immaterial modifications and the amendment and restatement of the Charter, each as more fully described in this proxy statement;

Proposal 3 (Certain Additional Amendments to our Declaration of Trust (75% Approval)): The approval of amendments to the Charter that require approval of 75% of the shares outstanding relating to (a) declassifying of the Board and providing for annual elections of trustees, (b) the voting standard for mergers, (c) the voting standard for Charter amendments, (d) the removal of the voting standard for combinations with 10% shareholders, (e) the increase in the number of permitted trustees, (f) installing revised REIT ownership limitation provisions and (g) our investment policy, each as more fully described in this proxy statement;

Proposal 4 (Reimbursement of Expenses to Related and Corvex): The approval of the reimbursement to Related Fund Management, LLC ("Related") and Corvex Management LP ("Corvex") of expenses related to their consent solicitations; and

Proposal 5 (Ratification of the Appointment of Ernst & Young LLP): The ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2014.

Our Board knows of no other matters to be brought before the Annual Meeting.

Although the Board previously adopted a policy to provide shareholders with an opportunity to approve, on an advisory basis, the compensation of named executive officers every year at the annual meeting of shareholders (a "say-on-pay proposal"), the Board has decided not to include a say-on-pay proposal at the Annual Meeting. Effective as of May 23, 2014, our former executives (whose 2013 compensation is presented in this Proxy Statement and in our Form 10-K/A for the year ended December 31, 2013 filed on April 30, 2014 (our "Amended Form 10-K")) resigned and the Board elected new executive officers. Although our Compensation Committee has approved interim annual base salaries for our new executive officers, it is currently evaluating our executive compensation program, including the compensation of our new executive officers. With the assistance of an executive compensation consultant, the Compensation Committee will propose a new program and compensation to the Board. Accordingly, in light of the change in management and the expected change in compensation, the Board did not believe it was appropriate to ask shareholders to hold an advisory vote on 2013 executive compensation at the Annual Meeting. The Board intends to resume its policy of including an annual say-on-pay proposal at the 2015 annual meeting of shareholders.

What are the Board's voting recommendations?

The Board recommends that you vote as follows:

Proposal 1 (Election of Trustees): **"FOR"** each of the Board's nominees for election as trustee;

Proposal 2 (Certain Amendments to our Declaration of Trust (Majority Approval)): **"FOR"** approval of each amendment to the Charter listed in Proposals 2(a) through 2(n);

Proposal 3 (Certain Additional Amendments to our Declaration of Trust (75% Approval)): **"FOR"** approval of each amendment to the Charter listed in Proposals 3(a) through 3(g);

Proposal 4 (Reimbursement of Expenses to Related and Corvex): **"FOR"** approval of the reimbursement to Related and Corvex of expenses related to their consent solicitations; and

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Proposal 5 (Ratification of the Appointment of Ernst & Young LLP): **"FOR"** ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2014.

Who is entitled to vote at the Annual Meeting?

The close of business on June 23, 2014 has been fixed as the record date (the "Record Date") for the Annual Meeting. Only shareholders of record of our common shares of beneficial interest, $0.01 par value per share ("common shares"), at the close of business on the Record Date are entitled to notice of, to attend, and to vote at the Annual Meeting. On June , 2014, we had 128,848,194 common shares outstanding.

What are the voting rights of shareholders?

Each common share is entitled to one vote on each matter to be voted on.

How do I vote?

If your shares are registered directly in your name with our transfer agent, Wells Fargo Bank, National Association, you are considered the shareholder of record with respect to those shares and the Proxy Statement was sent directly to you by us. In that case, you may instruct the proxy holders named in the proxy card (the "Proxy Agents") how to vote your common shares in one of the following ways:

Vote online. You can access proxy materials and vote at www.proxyvote.com. To vote online, you must have the shareholder identification number provided on the proxy card.

Vote by telephone. You also have the option to vote by telephone by following the "Vote by Phone" instructions on the proxy card.

Vote by regular mail. If you would like to vote by mail, then please mark, sign and date your proxy card and return it promptly in the postage-paid envelope provided.

Proxies submitted over the internet, by telephone or by mail must be received by 11:59 p.m. Eastern Time on Wednesday, July 30, 2014.

If your shares are held in an account at a brokerage firm, bank, broker-dealer, or other similar organization, then you are the beneficial owner of shares held in "street name," and the Proxy Statement was forwarded to you by that organization. As a beneficial owner, you have the right to instruct that organization on how to vote the shares held in your account. You should instruct your broker or nominee how to vote your shares by following the voting instructions provided by your broker or nominee.

How are proxy card votes counted?

Proxies submitted properly via one of the methods discussed above will be voted in accordance with the instructions contained therein. If the proxy is submitted but voting instructions are not made, the proxy will be voted "FOR" each of the 11 trustee nominees, "FOR" approval of certain amendments to the Charter, "FOR" approval of certain additional amendments to the Charter, "FOR" approval of the reimbursement to Related and Corvex of expenses related to their consent solicitations and "FOR" the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2014, and in such manner as the Proxy Agents, in their discretion, determine upon such other business as may properly come before the Annual Meeting. If the proxy is submitted and voting instructions are made for some, but not all, of the proposals, as to matters in which instructions are given, the proxy will be voted in accordance with

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those instructions, and for all other proposals, the proxy will be voted as described in the prior sentence.

If your common shares are held in an account at a brokerage firm, bank, broker-dealer, or other similar organization, under applicable rules of the New York Stock Exchange (the "NYSE") (the exchange on which our common shares are traded), the brokers will vote your shares according to the specific instructions they receive from you. If brokers that hold common shares for a beneficial owner do not receive voting instructions from that owner at least 10 days prior to the Annual Meeting, the broker may vote only on the proposal if it is considered a "routine" matter under the NYSE's rules. On non-routine matters, nominees do not have discretionary voting power and cannot vote without instructions from the beneficial owners, resulting in a so-called "broker non-vote." Pursuant to the rules of the NYSE, the election of trustees, all amendments to the Charter and the approval of the reimbursement to Related and Corvex of expenses related to their consent solicitations are each a "non-routine" matter and brokerage firms may not vote without instructions from their client on these matters, resulting in a broker non-vote. In contrast, ratification of the appointment of an independent registered public accounting firm is considered a "routine" matter under NYSE's rules, which means that brokers have discretionary voting authority to the extent they have not received voting instructions from their client on the matter.

How many votes are needed for each of the proposals to pass?

The proposals to be voted on at the Annual Meeting have the following voting requirements:

Proposal 1 (Election of Trustees): You may vote "FOR" all nominees, "WITHHOLD" your vote as to all nominees, or vote "FOR" all nominees except those specific nominees from whom you "WITHHOLD" your vote. Pursuant to our Charter, in an uncontested election, trustees will be elected by a majority of the votes cast at the Annual Meeting. For purposes of this proposal, "a majority of votes cast" means that the number of shares voted "FOR" a trustee's election exceeds 50% of the total number of votes cast with respect to that trustee's election, and votes "cast" means votes "FOR" and "WITHHOLD." There is no cumulative voting in the election of trustees. For purposes of the election of trustees, abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote, although they will be considered present for the purpose of determining the presence of a quorum.

Proposal 2 (Certain Amendments to our Declaration of Trust (Majority Approval)): You may vote "FOR," "AGAINST" or "ABSTAIN" on Proposals 2(a) through 2(n). Pursuant to the Charter, the affirmative vote of a majority of the total number of votes authorized to be cast by shares then outstanding and entitled to vote on each proposal is required to approve each amendment to the Charter set forth in Proposal 2. For purposes of the vote on each amendment in Proposals 2(a) through 2(n), failure to vote and abstentions and broker non-votes will have the same effect as votes against the proposal, although abstentions and broker non-votes will be considered present for the purpose of determining the presence of a quorum.

Proposal 3 (Certain Additional Amendments to our Declaration of Trust (75% Approval)): You may vote "FOR," "AGAINST" or "ABSTAIN" on Proposals 3(a) through 3(g). Pursuant to the Charter, the affirmative vote of at least 75% of the total number of votes authorized to be cast by shares then outstanding and entitled to vote on each proposal is required to approve each amendment to the Charter set forth in Proposal 3. For purposes of the vote on each amendment in Proposals 3(a) through 3(g), failure to vote and abstentions and broker non-votes will have the same effect as votes against the proposal, although abstentions and broker non-votes will be considered present for the purpose of determining the presence of a quorum.

Proposal 4 (Reimbursement of Expenses to Related and Corvex): You may vote "FOR," "AGAINST" or "ABSTAIN" on Proposal 4. Pursuant to our Amended and Restated Bylaws (our

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"Bylaws"), the affirmative vote of a majority of the total number of votes cast by shares then outstanding and entitled to vote on the proposal is required to approve the reimbursement to Related and Corvex of expenses related to their consent solicitations. For purposes of the vote to reimburse solicitation expenses, abstentions and other shares not voted (whether by broker non-vote or otherwise) will not be counted as votes cast and will have no effect on the result of the vote, although abstentions and broker non-votes will count toward the presence of a quorum.

Proposal 5 (Ratification of the Appointment of Ernst & Young LLP): You may vote "FOR," "AGAINST" or "ABSTAIN" on Proposal 5. Pursuant to our Bylaws, the affirmative vote of a majority of the total number of votes cast by shares then outstanding and entitled to vote on the proposal is required to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2014. For purposes of the vote to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm, abstentions and other shares not voted will not be counted as votes cast and will have no effect on the result of the vote, although abstentions will count toward the presence of a quorum

If our shareholders approve one or more but not all of the proposed amendments to the Charter, we will file an amended and restated Charter containing only the amendments that were approved.

What will constitute a quorum at the Annual Meeting?

A quorum of shareholders is required for shareholders to take action at the Annual Meeting, except that the Annual Meeting may be adjourned if less than a quorum is present. Once the Annual Meeting is called to order, the Board intends to adjourn the Annual Meeting until July 31, 2014 at the same time of day and at the same location as the Annual Meeting. The presence, in person or by proxy, of holders of common shares entitled to cast a majority of all the votes entitled to be cast at the Annual Meeting on any matter will constitute a quorum. Shares that are voted "FOR," "AGAINST," "WITHHOLD," or "ABSTAIN" will be treated as being present at the Annual Meeting for purposes of establishing a quorum. Accordingly, if you have returned a valid proxy or attend the Annual Meeting in person, your shares will be counted for the purpose of determining whether there is a quorum, even if you wish to abstain from voting on some or all matters. Broker non-votes will also be counted as present for purposes of determining the presence of a quorum.

Who can attend the Annual Meeting?

Only shareholders as of the Record Date, or their duly appointed proxies, may attend the Annual Meeting. Shareholders may be asked to present valid picture identification such as a driver's license or passport and proof of stock ownership as of the Record Date. If you are not a shareholder of record but hold shares through a broker or nominee (i.e., in street name), you should provide proof of beneficial ownership on the Record Date, such as your most recent account statement, a copy of the voting instruction card provided by your broker, trustee or nominee, or other similar evidence of ownership. The use of cell phones, smartphones, pagers, recording and photographic equipment and/or computers is not permitted at the Annual Meeting. For directions to the Annual Meeting, contact our Investor Relations department at (312) 646-2801 or ir@equitycommonwealth.com.

If I plan to attend the Annual Meeting, should I still vote by proxy?

Yes. Voting in advance does not affect your right to attend the Annual Meeting. If you send in your proxy card and also attend the Annual Meeting, you do not need to vote again at the Annual Meeting unless you want to change your vote. Written ballots will be available at the meeting for shareholders of record. If you are not a shareholder of record but hold shares through a broker or nominee (i.e., in street name), you may vote your shares in person only if you obtain a legal proxy from

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the broker, trustee or nominee that holds your shares giving you the right to vote the shares. Even if you plan to attend the Annual Meeting, we recommend that you also submit your proxy or voting instructions prior to the meeting as described above so that your vote will be counted if you later decide not to attend the Annual Meeting.

Will any other matters be voted on?

The proposals set forth in this Proxy Statement constitute the only business that the Board intends to present at the Annual Meeting. The proxy does, however, confer discretionary authority upon the Proxy Agents or their substitutes, to vote on any other business that may properly come before the meeting. If the Annual Meeting is postponed or adjourned, the Proxy Agents can vote your shares on the new meeting date as well, unless you have revoked your proxy.

May I change my vote after I have voted?

You may revoke your proxy at any time prior to its use by (i) delivering a written notice of revocation to our Secretary at Two North Riverside Plaza, Suite 600, Chicago, Illinois 60606, (ii) filing a duly executed proxy bearing a later date with us or (iii) attending the Annual Meeting and voting in person. If your common shares are held by a broker, bank or any other persons holding common shares on your behalf, you must contact that institution to revoke a previously authorized proxy.

Who is soliciting the proxies and who pays the costs?

The enclosed proxy for the Annual Meeting is being solicited by the Board. Proxies also may be solicited, without additional compensation, by our trustees and officers by mail, telephone or other electronic means or in person. We are paying the costs of this solicitation, including the preparation, printing, mailing and website hosting of proxy materials. We will request banks, brokers and other custodians, nominees and fiduciaries to forward proxy materials to the beneficial owners of our common shares and to obtain their voting instructions. We will reimburse those firms for their expenses. In addition, we have retained D.F. King & Co., Inc. ("D.F. King") to assist in the solicitation of proxies for a fee of $15,000 plus reimbursement of expenses. We have agreed to indemnify D.F. King against certain liabilities arising out of our agreement with D.F. King.

No person is authorized to give any information or to make any representation not contained in this Proxy Statement, and, if given or made, you should not rely on that information or representation as having been authorized by us. The delivery of this Proxy Statement does not imply that the information herein has remained unchanged since the date of this Proxy Statement.

Whom should I call if I have questions or need assistance voting my shares?

Please call the firm assisting us in the solicitation of proxies, D.F. King, if you have any questions or need assistance in voting your shares. Banks and brokers may call D.F. King collect at (212) 269-5550. Shareholders may call D.F. King toll-free at (800) 714-3313.

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NOTE REGARDING CERTAIN PROCEDURAL MATTERS

Adjournment of the Annual Meeting

Pursuant to the Charter currently in effect, we are required to hold an annual meeting of shareholders no fewer than thirty days after delivery to the shareholders of our annual report for the previous year and within six months after the end of each fiscal year. As described below, our former trustees were removed from office effective March 25, 2014 and our current trustees were elected at the special meeting of shareholders held on May 23, 2014 (the "Special Meeting"). Immediately upon taking office, our current trustees set the date and record date for the Annual Meeting. Given the timing constraints of the Charter, however, the Board was required to set the meeting date to be no later than June 30, 2014.

As such, in light of this required timing relative to the mailing of our annual meeting proxy materials, the chairman of the meeting will use his authority under our Bylaws to adjourn the Annual Meeting in order to give our shareholders an ample opportunity to consider the proposals described in this Proxy Statement and to allow sufficient time for us to solicit proxies. Once the Annual Meeting is called to order but before any of the proposals set forth herein are considered and prior to voting on any proposal, the chairman will adjourn the Annual Meeting until July 31, 2014 at the same time of day and at the same location as the Annual Meeting. At the reconvened Annual Meeting, the shareholders will consider and vote upon the proposals set forth in this Proxy Statement.

Special Procedures at the Annual Meeting Regarding Board Declassification

At the Annual Meeting, our shareholders will be asked to vote on certain amendments to our Charter, including Proposal 3(a), which is a proposal to amend the Charter to declassify the Board and provide for the annual election of trustees. Our Board is currently divided into three groups, with each group of trustees serving a staggered term, so that the term of only one class expires at each annual meeting of shareholders and each class is elected to a three-year term. In order to effectuate the transition to a declassified Board at the Annual Meeting, we intend to present and vote upon Proposal 2 and Proposal 3 (which collectively include all the amendments to our Charter) prior to voting on Proposal 1 (the election of trustees). If our shareholders approve the proposal to amend the Charter to declassify the Board, immediately after the vote on all matters in Proposal 2 and Proposal 3, the Annual Meeting will be recessed briefly so that an amended and restated Charter, reflecting the amendments that the shareholders have approved at the Annual Meeting, may be filed with the State Department of Assessments and Taxation of Maryland. All of the trustees whose terms would not otherwise expire at the Annual Meeting have voluntarily agreed to resign if this proposal is approved and stand for re-election to a one year term at the Annual Meeting. Therefore, after the amended and restated Charter is accepted for record by the State Department of Assessments and Taxation of Maryland, all of the trustees whose terms would not otherwise expire at the Annual Meeting will resign and all 11 trustee nominees will stand for election or re-election, as the case may be, at the Annual Meeting for one year terms. Recessing the Annual Meeting, filing an amended and restated Charter and accepting the resignation of each of our trustees whose term would not otherwise expire at the Annual Meeting allows us to fully declassify the Board at the Annual Meeting.

RECENT CHANGES IN CORPORATE GOVERNANCE

Recent Changes in the Board of Trustees

On January 28, 2014, Related and Corvex filed solicitation materials with the Securities and Exchange Commission (the "SEC") soliciting written consents from our shareholders to remove, without cause, all of our then-trustees, Barry M. Portnoy, Adam D. Portnoy, Joseph L. Morea, William A. Lamkin, Frederick N. Zeytoonjian, Ronald J. Artinian and Ann Logan, and any other person or persons elected or appointed to the Board prior to the effective time of the consent

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solicitation. On March 18, 2014, Related and Corvex delivered to us written consents purported to be from a sufficient number of holders of our outstanding common shares, to remove, without cause, all of our then-trustees. After inspection, the Board certified the results of the written consent solicitation on March 25, 2014, whereupon all of our then-trustees were removed.

We held a special meeting of shareholders on May 23, 2014 (the "Special Meeting") for the purpose of electing new trustees to fill the vacancies created by removal of our prior trustees. At the Special Meeting, the following individuals were elected to the Board: Sam Zell, James S. Corl, Edward A. Glickman, David Helfand, Peter Linneman, James L. Lozier, Jr. and Kenneth Shea. Our Board is currently divided into three groups. James S. Corl and Edward A. Glickman were elected to Group I (the "Group I Trustees") with a term of office expiring at the Annual Meeting, Peter Linneman, James L. Lozier, Jr. and Kenneth Shea were elected to Group II (the "Group II Trustees") with a term of office expiring at our 2015 annual meeting of shareholders and Sam Zell and David Helfand were elected to Group III (the "Group III Trustees") with a term of office expiring at our 2016 annual meeting of shareholders.

Following the Special Meeting, the new trustees held a meeting of the Board on June 5, 2014 (the "June Board Meeting") where they, among other things, constituted and appointed members to the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee of the Board.

Recent Changes in Management

Following the Special Meeting and the election of the new trustees to the Board, effective May 23, 2014, all of our officers resigned, including the following executive officers: Adam D. Portnoy, President, John C. Popeo, Treasurer and Chief Financial Officer, and David M. Lepore, Chief Operating Officer. Immediately after the resignation of our former executive officers and effective May 23, 2014, the Board elected the following executive officers:

David Helfand President, Chief Executive Officer, interim Chief Financial Officer and interim Treasurer;

David S. Weinberg Executive Vice President and Chief Operating Officer; and

Orrin S. Shifrin Executive Vice President, General Counsel and Secretary.

In addition, the Board elected Sam Zell as non-executive Chairman of the Board. At the June Board Meeting, the Board re-elected Messrs. Helfand, Weinberg and Shifrin to the offices listed above.

Other Corporate Governance Matters

In light of the results of the Special Meeting and changes in our management and governance, the Board believes that our corporate governance documents should reflect customary, market-based provisions consistent with the corporate governance documents of many other public REITs, reflect our transition to an internally managed company and more closely align with Maryland law. To that end, at the June Board Meeting, the Board reviewed the Company's governing documents and determined that they should be amended and restated to reflect the foregoing standards. Therefore, at the meeting, the Board adopted the following new governing documents:

Amended and Restated Bylaws;

Amendments to the Charter, subject to shareholder approval, as set forth in Proposals 2 and 3;

Corporate Governance Guidelines;

Code of Business Conduct and Ethics; and

Charters of each of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee.

These governing documents are more fully described in this Proxy Statement.

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PROPOSAL 1: ELECTION OF TRUSTEES

The Board has set the number of trustees at 11. Our Board is currently divided into three groups, with two trustees in Group I, three trustees in Group II and two trustees in Group III. Our Board also currently has four vacancies two in Group I, one in Group II and one in Group III. Trustees in each group are elected for three year terms and serve until their respective successors are elected and qualify. Our Group I Trustees are James S. Corl and Edward A. Glickman, with a term of office expiring at the Annual Meeting, our Group II Trustees are Peter Linneman, James L. Lozier, Jr. and Kenneth Shea, with a term of office expiring at our 2015 annual meeting of shareholders, and our Group III Trustees are Sam Zell and David Helfand, with a term of office expiring at our 2016 annual meeting of shareholders.

As part of Proposal 3, we are proposing an amendment to the Charter to declassify the Board and provide for the annual election of trustees (the "Declassifying Proposal"). See "Proposal 3 Certain Additional Amendments to Our Charter (75% Approval Proposal 3(a) Amendment to Declassify the Board and Provide for Annual Elections" for additional information regarding the amendments to the Charter to declassify the Board.

Term of Nominees if the Declassifying Proposal is Approved

As previously noted, the Declassifying Proposal will be presented at the Annual Meeting before the election of trustees pursuant to this Proposal 1. If the Declassifying Proposal is approved, the Annual Meeting will be recessed briefly so that the Amended and Restated Charter may be filed with and accepted by the State Department of Assessments and Taxation of Maryland. All of the trustees whose terms would not otherwise expire at the Annual Meeting have voluntarily agreed to resign if the Declassifying Proposal is approved and stand for election or re-election, as the case may be, at the Annual Meeting. In this event, the Board has nominated the following 11 trustee nominees to serve one year terms until the 2015 annual meeting of shareholders and until their successors have been duly elected and qualify:

Sam Zell

James S. Corl

Martin L. Edelman

Edward A. Glickman

David Helfand

Peter Linneman

James L. Lozier, Jr.

Mary Jane Robertson

Kenneth Shea

Gerald A. Spector

James A. Star

Term of Nominees if the Declassifying Proposal is Not Approved

If the Declassifying Proposal is not approved, each of our trustees whose terms would not otherwise expire at the Annual Meeting have voluntarily agreed to resign and stand for re-election at the Annual Meeting, and, in accordance with our Bylaws, all of our trustee nominees expect to resign and stand for re-election at each subsequent annual meeting to the extent their terms would not

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otherwise then expire, thereby accomplishing the same effect of the Declassifying Proposal. In this event, the Board has nominated the following individuals for election as trustees in the following groups.

Group I:

James S. Corl

Edward A. Glickman

Mary Jane Robertson

James A. Star

Group II:

Martin L. Edelman

Peter Linneman

James L. Lozier, Jr.

Kenneth Shea

Group III:

Sam Zell

David Helfand

Gerald A. Spector

If the Declassifying Proposal is not approved, the term of the Group I Trustees elected at the Annual Meeting will expire at our 2017 annual meeting of shareholders, the term of the Group II Trustees will expire at our 2015 annual meeting of shareholders, and the term of the Group III Trustees will expire at our 2016 annual meeting of shareholders, subject in each case to the trustee nominees' agreements to stand for election at each annual meeting. All trustee nominees have voluntarily agreed to serve as trustee if elected. If, however, any of the trustee nominees becomes unable or unwilling to accept election to our Board, the Board may designate a substitute nominee and the proxies will be voted for the election of a substitute nominee recommended by our Board. Our Board has no reason to believe that the trustee nominees will be unable or unwilling to serve. Under these circumstances, the Board also may, as permitted by our Bylaws, decrease the size of the Board.

The Nominating and Corporate Governance Committee has set forth in a written policy minimum qualifications that a trustee candidate must possess. See "Corporate Governance and Board Matters Trustee Nominee Selection Process."

Based on its review of the relationships between the trustee nominees and our Company, the Board has affirmatively determined that all of our trustee nominees who are not current members of our Board are independent and that the following five of our seven current trustees are independent under applicable SEC and NYSE rules: James S. Corl, Edward A. Glickman, Peter Linneman, James L. Lozier, Jr. and Kenneth

Shea.

The trustee nominees who are not current members of our Board were recommended by our Chairman and executive officers, and the Nominating and Corporate Governance Committee recommended all the trustee nominees to the Board.

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Biographies of Trustee Nominees

The table below sets forth the names and ages of each of the trustees nominated for election at the Annual Meeting, as well as the positions and offices held.

Name	Position With the Company	Age as of the Annual Meeting
Sam Zell	Chairman of the Board	72
James S. Corl	Trustee	48
Martin L. Edelman	Trustee Nominee	73
Edward A. Glickman	Trustee	57
David Helfand	Trustee, President, Chief Executive Officer, interim Chief Financial Officer and interim Treasurer	49
Peter Linneman	Trustee	63
James L. Lozier, Jr.	Trustee	58
Mary Jane Robertson	Trustee Nominee	60
Kenneth Shea	Trustee	56
Gerald A. Spector	Trustee Nominee	67
James A. Star	Trustee Nominee	53

Set forth below is certain biographical information of our trustee nominees.

Sam Zell has been our trustee since May 2014. Mr. Zell is also the founder and the Chairman of Equity Residential, a multifamily real estate investment trust, and Equity LifeStyle Properties, Inc., a real estate investment trust focused on manufactured home communities. Mr. Zell is also Chairman of Equity Group Investments ("Equity Group"), a private entrepreneurial investment firm he founded more than 40 years ago. He is also founder and Chairman of Equity International, a private investment firm focused on real estate-related companies outside the U.S. that has brought a number of companies to the public markets. Mr. Zell has served as Chairman of Anixter International, Inc. (NYSE: AXE) since 1985, Chairman of Equity Residential (NYSE: EQR) since 1993, Chairman of Equity LifeStyle Properties, Inc. (NYSE: ELS) since 1993, and Chairman of Covanta Holding Corporation (NYSE: CVA) since 2005. Previously, Mr. Zell served as Chairman of Equity Office Properties Trust, which was sold in February 2007 for $39 billion in the largest private equity transaction at the time. Mr. Zell served as the Chief Executive Officer of the Tribune Company from December 2007 to December 2008 and Chairman of the Tribune Company from December 2007 to December 2012, at which time the Tribune Company emerged from Chapter 11 bankruptcy. Mr. Zell served as Chairman of Capital Trust, Inc., a real estate finance company, from 2003 to 2012. He serves on the President's Advisory Board at the University of Michigan, and with the combined efforts of the University of Michigan Business School, established the Zell/Lurie Entrepreneurial Center. Mr. Zell is also a long-standing supporter of the University of Pennsylvania Wharton Real Estate Center, where he endowed the Samuel Zell and Robert Lurie Real Estate Center. He also endowed Northwestern University's Center for Risk Management. Mr. Zell holds a JD and a BA from the University of Michigan.

Our Board determined that Mr. Zell should serve on our Board based on his experience of over 40 years as a chairman, director and executive of various companies, his management of billions of dollars in global investments, his strong track record of stewarding companies towards the maximization of their potential and being recognized as a founder of the modern REIT industry and a leading driver for increased transparency and disclosure by public companies.

James S. Corl has been our trustee since May 2014. Mr. Corl has served as a Managing Director at Siguler Guff & Company, a private equity investment firm ("Siguler Guff"), since 2009, and is the Head of Real Estate Investments. Mr. Corl oversees the firm's real estate investment activities, setting

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investment strategy, designing and constructing the portfolio, identifying potential investments and negotiating investment terms and conditions. Prior to joining Siguler Guff, Mr. Corl spent 13 years in the REIT investment industry, most recently as Chief Investment Officer for all of the real estate activities of Cohen & Steers, Inc. (NYSE: CNS), a leading investor in global real estate securities. While at Cohen & Steers, Inc., Mr. Corl was directly responsible for over $30 billion of client assets invested in mutual funds and institutional separate accounts around the world. From 1993 to 1994, Mr. Corl was an associate with the Real Estate Investment Banking group at Credit Suisse First Boston ("CSFB") (NYSE: CS), an international investment bank, where he was involved in acquiring portfolios of non-performing loans and distressed real estate assets for CSFB's Praedium Real Estate Recovery Fund, as well as restructuring troubled real estate companies as publicly traded REITs. Mr. Corl holds a B.A. from Stanford University and an M.B.A. from the Wharton School of Business, the University of Pennsylvania.

Our Board determined that Mr. Corl should serve on our Board based on his experience in the real estate investment industry and his experience overseeing investment activities and his 19 years of experience analyzing the effectiveness of business and investment strategies in the commercial real estate industry with a long term focus on REIT governance and shareholder alignment, specifically executive compensation issues.

Martin L. Edelman has served as Of Counsel in the Real Estate practice of Paul Hastings LLP, an international law firm, since 2000. Mr. Edelman has been a real estate advisor to Grove Investors and is a partner at Fisher Brothers, a real estate partnership. Mr. Edelman is a director of Blackstone Mortgage Trust, Inc. (NYSE: BXMT), Morgans Hotel Group Co. (NASDAQ: MHGC), Aldar Properties PJSC (ADX: ALDAR) and Advanced Micro Devices, Inc. (NYSE: AMD). He also served as a director of Avis Budget Group, Inc. (NASDAQ: CAR) from 1997 until his resignation in February 2013, which became effective on March 15, 2013, and also served on the Board of Directors of Ashford Hospitality Trust, Inc. (NYSE: AHT) from 2003 to 2014. He also currently serves on the boards of various nongovernmental organizations. Mr. Edelman has more than 30 years of experience and concentrates his practice on real estate and corporate mergers and acquisitions transactions. The focus of Mr. Edelman's practice has been large, complex transactions, including cross-border transactions. He has been involved in all stages of legal development of pioneering financial structures, including participating debt instruments, institutional joint ventures in real estate, and joint ventures between U.S. financial sources and European real estate companies. He has also done extensive work in Europe, Canada, Mexico, Japan, the Middle East, and Latin America. Mr. Edelman holds an A.B. from Princeton University and an LL.B. from Columbia Law School.

Our Board determined that Mr. Edelman should serve on our Board based on his experience advising companies in complex real estate and corporate transactions as he brings an extensive legal and financial background to the board of directors with over 40 years of experience in the legal profession and has considerable experience in complex negotiations involving acquisitions, dispositions and financing.

Edward A. Glickman has been our trustee since May 2014. Mr. Glickman has served as the Executive Chairman of FG Asset Management US since 2013. Mr. Glickman has served as the Executive Director of the Center for Real Estate Finance Research and Clinical Professor of Finance at New York University Stern School of Business since 2012. Mr. Glickman was President, Chief Operating Officer, and Trustee of the Pennsylvania Real Estate Investment Trust ("PREIT") (NYSE: PEI), a real estate investment trust focused on shopping malls, from 2004 until 2012 and was Executive Vice President and Chief Financial Officer of PREIT from 1997 to 2004. Mr. Glickman joined PREIT after it acquired The Rubin Organization, a closely held shopping center company, where he had served as Chief Financial Officer. Mr. Glickman served as Executive Vice President and Chief Financial Officer of Presidential Realty Corporation (OTCQB: PDNLP), a real estate investment trust focused on apartment units, from 1989 to 1993. Prior to this, Mr. Glickman was an investment

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banker with Shearson Lehman Brothers and Smith Barney. Mr. Glickman is a Fellow of the Royal Institution of Chartered Surveyors, a Certified Treasury Professional and a Registered Securities Principal. He serves as a senior advisor to Econsult Solutions, Inc. He serves on the Board of the Temple University Health System, The Fox Chase Cancer Center and The Kimmel Cancer Center at Jefferson University. He was formerly a member of the Real Estate Roundtable where he was the Co-Chair of the Homeland Security Committee. Mr. Glickman received a B.S. from the Wharton School of Business, the University of Pennsylvania, a Bachelor of Applied Science from the College of Engineering and Applied Science, the University of Pennsylvania, and an M.B.A from the Harvard Graduate School of Business Administration.

Our Board determined that Mr. Glickman should serve on our Board based on his more than 30 years of experience in the real estate and financial services industry and his deep understanding of public and private capital markets.

David Helfand has been our trustee, President, Chief Executive Officer, interim Chief Financial Officer and interim Treasurer since May 2014. Mr. Helfand has served as Co-President of Equity Group, a private investment firm, since January 2012 where he has overseen Equity Group's real estate activities. Prior to rejoining Equity Group in 2012, Mr. Helfand was Founder and President of Helix Funds LLC, a private real estate investment management company ("Helix Funds"), where he oversaw the acquisition, management and disposition of more than $2.2 billion of real estate assets. While at Helix Funds, he also served as Chief Executive Officer for American Residential Communities LLC ("ARC"), a Helix Funds portfolio company. Before founding Helix Funds, Mr. Helfand served as Executive Vice President and Chief Investment Officer for Equity Office Properties Trust ("EOP"), the largest REIT in the U.S. at the time, where he led approximately $12 billion of mergers and acquisitions activity. Prior to working with EOP, Mr. Helfand served as a Managing Director and participated in the formation of Equity International, a private investment firm focused on real estate-related companies outside the U.S. He also held the role of President and Chief Executive Officer of Equity LifeStyle Properties, an operator of manufactured home communities, and served as Chairman of the board's audit committee. His earlier career included investment activity in a variety of asset classes, including retail, office, parking and multifamily. He serves as a member of the Board of Trustees and Executive Committee of National Louis University, as a Director of the Ann & Robert H. Lurie Children's Hospital of Chicago, on the Executive Committee of the Samuel Zell and Robert Lurie Real Estate Center at the Wharton School of Business, the University of Pennsylvania, and on the Board of Visitors at the Weinberg College of Arts and Sciences at Northwestern University. Mr. Helfand holds an M.B.A. from the University of Chicago Graduate School of Business and a B.A. from Northwestern University.

Mr. Helfand is expected to have limited involvement in the activities of Equity Group, Helix Funds and ARC for a period of time. Mr. Helfand has been an employee of or otherwise involved in the operation of Equity Group and may be involved in transitioning the management of certain Equity Group assets or responsibilities. Additionally, Mr. Helfand has been an employee of or otherwise involved with Helix Funds and ARC. Each of Helix Funds and ARC has sold substantially all of its assets and is in the process of winding up its affairs. This winding up process may require limited involvement of Mr. Helfand.

Our Board determined that Mr. Helfand should serve on our Board based on his over 24 years of extensive experience managing real estate investments and his executive leadership of domestic and international real estate-related companies in the residential and commercial space.

Peter Linneman has been our trustee since May 2014. Dr. Linneman has been the Founding Principal of Linneman Associates, a real estate advisory firm, since 1979. Dr. Linneman has served as the Chief Executive Officer of American Land Funds and KL Realty Fund, private real estate acquisition firms, since 2010. Dr. Linneman previously served as Senior Managing Director of Equity

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International, a private investment firm focused on real estate-related companies outside the U.S., from 1998 to1999, and Vice Chairman of Amerimar Realty, a private real estate investment company, from 1996 to 1997. Dr. Linneman has served on over 20 public and private company boards, including serving as Chairman of the Board of Rockefeller Center Properties, Inc., a real estate investment trust, where he led the successful restructuring and sale of Rockefeller Center in the mid-1990s. Dr. Linneman currently serves on the Board of Directors of Equity One, Inc. (NYSE: EQY) and AG Mortgage Investment Trust, Inc. (NYSE: MITT), both of which are public real estate investment trusts, and serves on the Board of Directors of Atrium European Real Estate, a public European real estate company. He is the author of the Linneman Letter, *Real Estate Finance and Investments: Risks and Opportunities* and over 100 scholarly publications. Dr. Linneman is also the Emeritus Albert Sussman Professor of Real Estate, Finance and Public Policy at the Wharton School of Business, the University of Pennsylvania, where he was a professor of Real Estate, Finance and Public Policy from 1979 to 2011 and was the founding co-editor of The Wharton Real Estate Review. He also served as the Director of Wharton's Samuel Zell and Robert Lurie Real Estate Center for 13 years. Dr. Linneman holds both Masters and Doctorate degrees in economics from the University of Chicago and a B.A. from Ashland University.

Our Board determined that Dr. Linneman should serve on our Board based on his active involvement in real estate investment, strategy and operation for nearly 30 years and his extensive experience serving on the boards of public companies.

James L. Lozier, Jr. has been our trustee since May 2014. Mr. Lozier has been a private consultant since 2012. Mr. Lozier served as co-founder and CEO of Archon Group L.P., a diversified international real estate services and advisory company, from its formation in 1996 until 2012. Under Mr. Lozier's leadership, the Archon Group, a wholly owned subsidiary of Goldman Sachs (NYSE: GS), managed 36,000 assets with a gross value of approximately $59 billion and had over 8,500 employees in offices located in Washington D.C., Los Angeles, Dallas, Boston, Asia and Europe. Prior to the formation of Archon Group, Mr. Lozier was an employee of the J.E. Robert Company, a global real estate investment management company, and was responsible for managing the Goldman Sachs/J.E. Robert joint venture for two years. Mr. Lozier directed the acquisition efforts of the joint venture between Goldman Sachs and J.E. Robert from 1991 to 1995. Mr. Lozier has served on the Board of Directors of Dallas CASA (Court Appointed Special Advocates for Children) since 1999 and currently is on the Executive Committee and is heading CASA's capital campaign. Mr. Lozier received his B.A. from Baylor University.

Our Board determined that Mr. Lozier should serve on our Board based on his experience managing large portfolios of real estate assets and his leadership experience.

Mary Jane Robertson has been the Executive Vice President, Chief Financial Officer and Treasurer of Crum & Forster Holdings, Corp. ("C&F"), an insurance holding company and a wholly-owned subsidiary of Fairfax Financial Holding Limited (TSX:FFH), since 1999. C&F was an SEC reporting company from 2004 to 2010. Prior to joining C&F, from 1998 to 1999, Ms. Robertson was Managing Principal, Chief Financial Officer and Treasurer of Global Markets Access Ltd. (Bermuda), a company that was formed to act as a financial guaranty reinsurer. Ms. Robertson also served as Senior Vice President and Chief Financial Officer of Capsure Holdings Corp. ("Capsure"), a former NYSE-traded insurance holding company, from 1993 to 1997 and was Executive Vice President and Chief Financial Officer of United Capitol Insurance Company, a specialty excess and surplus lines insurer in Atlanta and a subsidiary of Capsure, from its founding in 1986 to 1993. She is a Certified Public Accountant with 10 years of public accounting experience at Coopers & Lybrand. Ms. Robertson serves as a director of C&F and substantially all of its direct and indirect wholly owned subsidiaries. Ms. Robertson previously served on the board of directors of Russell Corporation, a former NYSE-listed public company, from July 2000 to August 2006 and was chair of its audit committee from 2002 to 2006. Ms. Robertson holds a Bachelor of Commerce from the University of Toronto.

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Our Board determined that Ms. Robertson should serve on our Board based on her 28 years of experience as Chief Financial Officer of public and private companies and her accounting background.

Kenneth Shea has been our trustee since May 2014. Mr. Shea has been the President of Coastal Capital Management LLC ("Coastal"), an affiliate of Coastal Development, LLC, a private developer of resort destinations, luxury hotels and casino gaming facilities, since 2009. Prior to joining Coastal, from 2008 to 2009, Mr. Shea was a Managing Director for Icahn Capital LP, an investment fund company, where Mr. Shea was responsible for principal investments in the gaming and leisure industries. From 1996 to 2008, Mr. Shea was employed by Bear, Stearns & Co., Inc., a global investment bank, where he was a Senior Managing Director and global head of the Gaming and Leisure investment banking department. At Bear, Stearns & Co., Inc., Mr. Shea played an active role on over $55 billion of mergers and acquisitions and capital raising transactions for many of the leading public companies in the gaming and leisure sectors. Mr. Shea currently serves on the Board of Directors, audit committee and conflicts committee of CVR Refining, LP. (NYSE: CVRR), a publicly-traded energy company. Mr. Shea received his M.B.A. from the University of Virginia and his B.A. from Boston College.

Our Board determined that Mr. Shea should serve on our Board based on his significant experience in corporate finance, mergers and acquisitions and investing and his knowledge of the capital markets.

Gerald A. Spector has served as the Vice Chairman of Equity Residential, a real estate investment and management company focusing on apartment communities, since 2008. Mr. Spector was the Chief Operating Officer of the Tribune Company from December 2009 through December 2010, and served as its Chief Administrative Officer from December 2007 through December 2009, following the Tribune's 2008 Chapter 11 bankruptcy. Mr. Spector was Executive Vice President of Equity Residential from March 1993 and was Chief Operating Officer of Equity Residential from February 1995 until his retirement in December 2007. He began his real estate career in the early 1970's and has extensive prior public and private board experience as well. Mr. Spector hold a B.S.B.A. from Roosevelt University. Mr. Spector is a Certified Public Accountant.

Our Board determined that Mr. Spector should serve on our Board based on his extensive management and financial experience acquired through 40 years of managing and operating real estate companies through various business cycles, his experience in driving operational excellence and development of strategic changes in portfolio focus and his demonstrated leadership skills at the corporate board and executive levels.

James A. Star has served, since 2003, as President and Chief Executive Officer of Longview Asset Management ("Longview"), a multi-strategy investment firm for which he has been a portfolio manager since 1998. He has also served since 1994 as a Vice President of Henry Crown and Company, a private family investment firm affiliated with Longview. From 1998 to 2002, Mr. Star was President and Chief Investment Officer of Star Partners, Inc., a private securities partnership focused on common equities. Mr. Star began his investment career in 1991 as a securities analyst at Harris Associates, a Chicago investment firm. Prior thereto, he practiced corporate and securities law in Illinois, where he was a member of the bar from 1987 to 2011. Mr. Star has been a member of the investment committees for the retirement plans of Henry Crown and Company since 1995, Great Dane Limited Partnership since 1997 and, since 2014, Gillig LLC Provisur Technologies, Inc. and Trail King Industries, Inc. He has also served as a manager of Longview Trust Company since 2006. Mr. Star has been a member of limited partner advisory boards for the Kabouter Fund since 2004 and Valor Equity Partners II since 2007. In prior years, Mr. Star has served on the board of trustees of Columbia Acorn Trust and Wanger Advisor Trust, which are registered mutual funds, and a number of private company boards including Trausch Industries, a refrigeration equipment manufacturer. Mr. Star is a member of the Global Advisory Board

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of the Kellogg Graduate School of Business at Northwestern University and the Chicago chapter of World Presidents Organization.

Our Board determined that Mr. Star should serve on our Board based on his significant investment management experience and his experience serving on boards of trustees.

Vote Required and Recommendation

Trustees are elected by a majority of votes cast in an uncontested election (meaning an election in which the number of nominees for election equals or is less than the number of trustees to be elected). The current election is uncontested and therefore, the affirmative vote of a majority of all votes cast for each trustee nominee is required to elect a trustee nominee. For purposes of this proposal, "a majority of votes cast" means that the number of shares voted "FOR" a trustee's election exceeds 50% of the total number of votes cast with respect to that trustee's election, and votes "cast" means votes "FOR" and "WITHHOLD." There is no cumulative voting in the election of trustees. Abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote.

THE BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" ELECTION OF EACH OF THE NOMINEES SET FORTH ABOVE.

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INTRODUCTORY NOTE TO PROPOSAL 2 AND PROPOSAL 3

Following their election at our Special Meeting, our Board unanimously adopted resolutions to amend a number of provisions of the Charter, determined the advisability of the amendments and recommended the submission of the amendments for shareholder approval at the Annual Meeting. In light of the results of the Special Meeting and changes in our management and governance, the Board believes that the Charter should reflect our transition to an internally managed company, should more closely align with Maryland law and should include customary, market-based provisions consistent with the charters of many other public companies. The purpose of these amendments is to accomplish those purposes, with an overall goal of enhancing the rights of shareholders and improving our corporate governance to maximize management accountability to shareholders. In addition, to the extent that the proposed amendments are approved by the shareholders, various ministerial changes not requiring shareholder approval will be made to the Charter.

These proposed Charter amendments are being submitted for approval through two separate proposals Proposal 2 and Proposal 3 and are segregated into these two proposals based on the vote required for approval. Under our current Charter, the proposed amendments included in Proposal 2 must be approved by the affirmative vote of a majority of the total number of votes authorized to be cast by shares then outstanding and entitled to vote, and the proposed amendments included in Proposal 3 must be approved by the affirmative vote of at least 75% of the total number of votes authorized to be cast by shares then outstanding and entitled to vote.

These proposed Charter amendments are summarized in Proposals 2 and 3 below. To the extent approved by our shareholders, we will implement these amendments through the adoption of an amended and restated Charter (the "Amended and Restated Charter"), which would become effective upon filing with, and acceptance for record by, the State Department of Assessments and Taxation of the State of Maryland. The full text of the proposed Amended and Restated Charter is attached hereto as Exhibit A-I and has been marked in Exhibit A-II to reflect the amendments contemplated by Proposals 2 and 3, including additional conforming and other immaterial changes. The summaries of the proposed amendments set forth in Proposals 2 and 3 below are qualified in their entirety by reference to Exhibits A-I and A-II, which you should read in their entirety. In the summaries, article and section references are to the articles and sections of our current Charter unless otherwise noted.

If our shareholders approve one or more but not all of the proposed amendments to the Charter, we will file the Amended and Restated Charter containing only the amendments that were approved and other ministerial changes not requiring shareholder approval.

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PROPOSAL 2: CERTAIN AMENDMENTS TO OUR DECLARATION OF TRUST (MAJORITY APPROVAL)

As described above, our Board has unanimously adopted resolutions to amend a number of provisions of the Charter, determined the advisability of the amendments and recommended the submission of the amendments for shareholder approval at the Annual Meeting.

Vote Required and Recommendation

Each of the proposed amendments set forth in each of Proposals 2(a) through 2(n) must be approved by the affirmative vote of a majority of the total number of votes authorized to be cast by shares then outstanding and entitled to vote on the proposed amendments. Therefore, for purposes of each of Proposals 2(a) through 2(n), failure to vote and abstentions and broker non-votes will have the same effect as votes against the proposal, although abstentions and broker non-votes will count toward the presence of a quorum.

THE BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" APPROVAL OF EACH OF PROPOSALS 2(a) THROUGH 2(n).

Proposal 2(a) Amendment to Adopt Plurality Voting in Contested Trustee Elections

Section 6.9 of the Charter provides that in an uncontested trustee election (meaning an election in which the number of nominees for election equals (or is less than) the number of trustees to be elected at the meeting) trustees are required to be elected by the affirmative vote of a majority of the total number of votes cast at the meeting. In contested elections, however, trustees must be elected by the affirmative vote of a majority of the total number of votes authorized to be cast by shares then outstanding and entitled to vote. As a result, the failure to be present or cast a vote, abstentions and broker non-votes each have the effect of being a vote against the election of a trustee in a contested election. In addition, the higher voting standard currently required in contested elections of trustees increases the likelihood that no trustee would be elected and that the current trustee would continue in office as a holdover, even if the current trustee did not receive the most votes cast in the election.

The Board has proposed that Section 6.9 of the Charter (and any related provisions and language elsewhere in the Charter) be revised so the vote necessary for the election of trustees in a contested election is a plurality of the votes cast at a meeting at which a quorum is present. The purpose of this amendment is to limit the impact of no-shows, abstentions and broker non-votes on the election of trustees and eliminate the possibility of holdover trustees in contested elections. With this revision, no-shows, abstentions and broker non-votes would have no effect on the election of trustees, whether contested or uncontested, and an existing trustee who does not receive the most votes in the election would not remain in office as a holdover, and we would then adhere to a more customary voting standard of plurality vote in contested elections and majority vote in uncontested elections.

THE BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" APPROVAL OF PROPOSAL 2(a).

Proposal 2(b) Amendment to Lower the General Shareholder Voting Standard

Section 6.9 of the Charter also provides that, except as otherwise provided in the Charter or Bylaws, any action taken by shareholders must be authorized by the affirmative vote of a majority of the total number of votes authorized to be cast by shares then outstanding and entitled to vote. As a result, the failure to be present or cast a vote, abstentions and broker non-votes each have the effect of being a vote against the matter to be approved by shareholders.

The Board has proposed that Section 6.9 of the Charter (and any related provisions and language elsewhere in the Charter) be revised so the vote necessary for general matters (i.e., matters for which

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the Charter does not specify a voting standard) is a majority of the votes cast at a meeting at which a quorum is present. Votes on charter amendments, mergers and other fundamental matters, however, would remain a majority of the votes authorized to be cast, and the vote on a dissolution would be two-thirds of the votes authorized to be cast, in each case as specified in the Charter. The purpose of this amendment is to limit the impact of no-shows, abstentions and broker non-votes on the approval of general matters by shareholders. With this revision, no-shows, abstentions and broker non-votes would have no effect on the approval of general matters by our shareholders, and we would then adhere to a more customary general voting standard of majority vote.

THE BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" APPROVAL OF PROPOSAL 2(b).

Proposal 2(c) Amendment to Require Majority Vote for a Transfer of All or Substantially All Assets

The Charter currently does not require shareholder approval of a transfer by us of all or substantially all of our assets and, unlike the Maryland corporation law, the Maryland REIT law does not require shareholder approval of such transactions. As a result, the trustees may approve a transfer of all or substantially all of our assets, including in a sale-of-the-company context, without shareholder input or approval.

The Board has proposed that Section 6.9 of the Charter (and any related provisions and language elsewhere in the Charter) be revised to include a requirement that a transfer of all or substantially all of our assets requires the affirmative vote of a majority of the total number of votes authorized to be cast by shares then outstanding and entitled to vote. The Board believes that providing a shareholder approval right for a transfer of all or substantially all of our assets would enhance the rights of shareholders and our corporate governance practices and would be consistent with our Charter's treatment of mergers and would conform to the voting standards for transactions by a Maryland corporation. However, the Board also recognizes the importance of maintaining our flexibility to engage in internal restructuring transactions deemed necessary or appropriate by the Board. The Board, therefore, also has proposed that the shareholder requirement for asset sales not apply to distributions to shareholders or transfers immediately following which we continue to own, directly or indirectly, substantially all of the ownership interests in the transferees. The purpose and effect of this amendment, therefore, is to require shareholder approval by a majority of the votes authorized to be cast for a transfer of all or substantially all of our assets, other than for certain internal restructuring transactions.

THE BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" APPROVAL OF PROPOSAL 2(c).

Proposal 2(d) Amendment to Convert Indemnification Rights to Permissive to the Full Extent of Maryland Law

Section 6.9 of the Charter currently provides mandatory indemnification by us to shareholders, trustees, affiliates of certain of our trustees, officers, employees and agents based on varying standards, depending on the status of the person with the indemnification rights. Under current Section 6.9:

> For independent trustees, employees and agents, the Charter provides for indemnification for liabilities and expenses incurred as a result of any action, suit or proceeding to which such individual is made a party as a result of his or her status as our trustee, employee and agent, provided that we may not indemnify such individual if the action, suit or proceeding arose out of his or her willful misfeasance, bad faith, gross negligence or reckless disregard of duty. In addition, under the Charter we may make advance payments to any such trustee, employee or agent in connection with any such indemnification provided that the indemnified person

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undertakes to reimburse us in the event it is subsequently determined that he or she is not entitled to such indemnification.

For "Affiliated Trustees" (defined as any trustee who is not independent, meaning not affiliated with or not having any material business or professional relationship with Reit Management & Research LLC ("RMR"), among other things) and any "Affiliates" of such Affiliated Trustees (meaning, among other things, any entity performing services for us for which such Affiliated Trustee serves as a partner, officer or director), the Charter provides for indemnification for liabilities and expenses incurred with respect to claims in connection with any action or inaction if (i) the Affiliated Trustee or Affiliate, in good faith, determined that such course of conduct was in our best interest (ii) and if such conduct did not constitute negligence or misconduct. Notwithstanding this indemnification obligation, the Charter prohibits us from indemnifying the Affiliated Trustees and their Affiliates (and any person acting for us as a broker/dealer) for any liabilities or expenses arising from or out of an alleged violation of federal or state securities laws unless (i) there has been a successful adjudication on the merits, or (ii) such claims have been dismissed with prejudice on the merits or (iii) a court of competent jurisdiction approves a settlement of the claim against the particular indemnitee. Furthermore, the Charter prohibits us from paying any portion of insurance (other than public liability insurance) that insures any Affiliated Trustee or Affiliate against any liability that we are prohibited from indemnifying, and we may not advance funds to the Affiliated Trustees and any Affiliates for legal expenses and other costs in connection with any legal action initiated against them by the shareholders.

The Board has proposed that Section 6.9 of the Charter (and any related provisions and language elsewhere in the Charter) be revised to delete the current indemnification and insert new indemnification provisions (i) that are permissive rather than mandatory and (ii) that allow indemnification to the maximum extent permitted by Maryland law. Under the Board's proposal, we will have the power, to the maximum extent permitted by Maryland statutory or decisional law in effect from time to time, to obligate ourselves to indemnify, and to pay or reimburse reasonable expenses to, (a) any individual who is our present or former shareholder, trustee or officer, (b) any individual who, while our shareholder, trustee or officer and at our express request, serves or has served another entity as a director, officer, shareholder, partner or trustee, (c) any person who served a predecessor of our Company in any of the foregoing capacities or (d) any employee or agent of our Company or our predecessor, from and against all claims and liabilities to which such person may become subject by reason of his or her being or having been a shareholder, trustee or officer.

The Maryland law generally permits a corporation to indemnify its directors and officers for losses, liabilities and expenses, unless it is established that (i) the act or omission of the director or officer was material to the matter giving rise to the proceeding and was either committed in bad faith or was the result of active and deliberate dishonesty; (ii) the director or officer actually received an improper personal benefit in money, property or services; or (iii) in the case of a criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful. In addition, a trustee of a Maryland real estate investment trust may not be indemnified in a derivative proceeding where the trustee has been determined to be liable to the trust. The Board believes that these are appropriate limits to exculpation and indemnification because they describe acts or omissions that are presumptively not in our interests and for which, therefore, it is not appropriate that we would bear the risk. The Board believes that exculpation and indemnification to the maximum extent permitted by Maryland law is appropriate because we can only act through our trustees and officers. Hence, when they act in their capacity as trustees and officers, our trustees and officers are acting for and on our behalf and not for their own account. Moreover, in the absence of exculpation and indemnification, we would be shifting the risks from those actions onto our trustees and officers while internalizing the benefits from them.

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The purpose of this amendment, therefore, is to replace our current complex indemnification provisions, which rely on varying standards based on a person's status with us and, in some cases, are not as broad as permitted under Maryland law, with simplified indemnification provisions that permit us to indemnify an individual to the full extent permitted by Maryland law and that, being permissive rather than mandatory, also provide maximum flexibility to the Board. Moreover, with this revision, we will be able to provide customary broad indemnification on a uniform basis rather than on a basis that depends on an individual's relationship with our historical external advisor.

THE BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" APPROVAL OF PROPOSAL 2(d).

Proposal 2(e) Amendment to Eliminate the Obligation of Shareholders to Indemnify the Company

Section 7.12 of the Charter provides that each shareholder is obligated to indemnify us from all liabilities and expenses arising from such shareholder's violation of any provision of the Charter or Bylaws.

The Board has proposed that Section 7.12 of the Charter be deleted so that the shareholders have no indemnification obligations under the Charter. The purpose of this amendment is to eliminate the Charter's non-customary requirement that the shareholders indemnify us for violations of the Charter and Bylaws.

THE BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" APPROVAL OF PROPOSAL 2(e).

Proposal 2(f) Amendment to Eliminate the External Advisor Provisions

Article IV of the Charter contains provisions expressly addressing our relationship with our historical external advisor. In particular, Article IV permits us to retain an external advisor, delegate managerial responsibility to an external advisor and enter into an advisory agreement with such external advisor (subject to certain required terms). Article IV also requires us to evaluate periodically the fees payable to the external advisor, requires the external advisor to operate our Company within a specific total operating expense margin and permits the external advisor to engage in activities unrelated to our business.

The Board has proposed that Article IV of the Charter, and any other provisions or language of the Charter relating to external advisors, be deleted in its entirety. The purpose of this amendment is remove Article IV and all other provisions of the Charter that address our relationship with external advisors or that relate to or anticipate or contemplate that we are managed by an external advisor. The Board is proposing this amendment in light of our intent to terminate our management agreement with RMR and operate as a self-managed company.

THE BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" APPROVAL OF PROPOSAL 2(f).

Proposal 2(g) Amendment to Align Related Party Transaction Requirements with Maryland Law

Section 7.8 of the Charter provides that related party transactions are valid, and no trustee, officer, employee or agent may be held liable for entering into a related party transaction (notwithstanding any affiliation with the counter-party), so long as the interest of the related party is (i) disclosed to the trustees and thereafter the trustees authorize or ratify the transaction by a majority vote of the trustees and the disinterested trustees or (ii) disclosed to the shareholders and thereafter the shareholders authorize or ratify the transaction by a majority vote. In addition, the trustees must determine that (a) such transaction is fair and reasonable to us and the shareholders, (b) based upon an appraisal by a qualified independent real estate appraiser, the total consideration is not in excess of the appraised

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value of the interest of any real property being acquired or disposed of, and (c) if such transaction involves payment by us for services by a person, such compensation does not exceed compensation to such person by third parties for comparable services in the same geographic area and does not exceed charges for comparable services generally available in the same geographic area from other persons.

The Board has proposed that Section 7.8 of the Charter (and any related provisions and language elsewhere in the Charter) be removed and replaced with a new provision governing related party transactions that provides that we may enter into any contract or transaction of any kind with any person, including any of our trustees, officers, employees or agents or any person affiliated with any of our trustees, officers, employees or agents, whether or not any of them has a financial interest in the transaction. However, in the case of any contract or transaction in which any of our trustees, officers, employees or agents (or any person affiliated with such person) has a material financial interest, the new provision would provide that (a) the fact of the interest must be disclosed or known to (i) the Board or the Audit Committee of the Board, and the Board or the Audit Committee approves or ratifies the contract or transaction by a majority vote of disinterested trustees or the Audit Committee, or (ii) the shareholders entitled to vote, and the contract or transaction is authorized, approved or ratified by majority vote of the disinterested shareholders, or (b) the contract or transaction is fair and reasonable to us.

The purpose of this amendment is to revise the related party transaction requirements to align with the safe harbor on related party transactions available to Maryland corporations by statute.

THE BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" APPROVAL OF PROPOSAL 2(g).

Proposal 2(h) Amendment to Increase Flexibility in Scheduling Annual Meetings

Section 6.9 of the Charter requires that the annual meeting of shareholders be held at such time and place as determined in accordance with the Bylaws, provided that the annual meeting must be held no fewer than 30 days after delivery to the shareholders of our annual report, and within six months after the end of each fiscal year.

The Board has proposed that Section 6.9 of the Charter (and any related provisions and language elsewhere in the Charter) be revised to remove the requirement that the annual meeting be held no fewer than 30 days after delivery of our annual report and within six months after the end of each fiscal year. The purpose of this amendment is to provide flexibility to us and the Board as to the scheduling of each annual meeting and remove a potentially burdensome requirement. With this revision we would be simply required to hold an annual meeting each year, after delivery of the annual report, at a convenient location and on proper notice on a date and at a time set by the Board, but would not be required to hold the annual meeting no fewer than 30 days after delivery of our annual report and within six months after the end of each fiscal year.

THE BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" APPROVAL OF PROPOSAL 2(h).

Proposal 2(i) Amendment to Increase Flexibility in Approval of Investments

Section 2.6 of the Charter provides that a majority vote of trustees is required in order for the Board to approve the acquisition or disposition of any investment by our Company.

The Board has proposed that Section 2.6 of the Charter (and any related provisions and language elsewhere in the Charter) be removed. The purpose of this amendment is to delete the specified majority requirement for approvals of investments in order to provide flexibility to the Board to adopt procedures, including delegation to committees, for the acquisition or disposition of investments as the Board may deem appropriate.

THE BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" APPROVAL OF PROPOSAL 2(i).

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Proposal 2(j) Amendment to Increase Flexibility in Structuring Board Committees

Section 2.8 of the Charter provides that the Board may appoint such committees as the trustees may determine, and that: (i) each standing committee consist of at least three members, (ii) the Board may appoint a committee consisting of at least one trustee and two or more non-trustees, and (iii) all members of the Audit Committee and a majority of other committees must be independent trustees.

The Board has proposed that Section 2.8 of the Charter (and any related provisions and language elsewhere in the Charter) be revised to (i) permit committees of one or more trustees, (ii) permit committees that include one or more trustees and one or more non-trustees, and (iii) remove the independence requirements for committee members. The purpose of this amendment is to provide flexibility to the Board in designing its standing committee structure, including forming committees not required by the NYSE and SEC rules to consist of or include independent trustees, and in forming ad-hoc committees as it may determine from time to time.

THE BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" APPROVAL OF PROPOSAL 2(j).

Proposal 2(k) Amendment to Remove the Requirement that Shareholders Approve Certain Restructurings

Section 8.5 of the Charter provides that the Board may engage in a restructuring of our legal organization by (i) forming holding companies or replacement entities, (ii) merging into or selling us to any such entity in exchange for equity therein, and (iii) distributing such equity interests to the shareholders, only upon approval of a majority of the trustees and approval by a majority of all votes cast at a meeting called for that purpose.

The Board has proposed that Section 8.5 of the Charter (and any related provisions and language elsewhere in the Charter) be revised to remove the requirement that shareholders approve any such restructuring transaction. The purpose of this amendment is to remove the shareholder approval requirement from such restructuring transactions in order to provide flexibility to the Board to ensure that we maintain an optimal legal structure by making such changes from time to time as the Board deems appropriate.

THE BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" APPROVAL OF PROPOSAL 2(k).

Proposal 2(l) Amendment to Eliminate the Board's Ability to Remove a Trustee

Section 2.3 of the Charter provides that, in addition to a shareholder removal of a trustee for or without cause, the Board may remove a trustee for cause with the approval of all remaining trustees.

The Board has proposed that Section 2.3 of the Charter (and any related provisions and language elsewhere in the Charter) be revised to remove the Board's ability to remove trustees. The purpose of this amendment is to ensure that the power to remove a trustee rests solely with the shareholders, as is the case with Maryland corporations.

THE BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" APPROVAL OF PROPOSAL 2(l).

Proposal 2(m) Amendment to Require Unanimity for Trustees to Act by Written Consent

Section 2.6 of the Charter provides that the trustees may take action by written consent upon the consent of a majority of the trustees.

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The Board has proposed that Section 2.6 of the Charter (and any related provisions and language elsewhere in the Charter) be revised to require that any written consent of the trustees must be unanimous. The purpose of this amendment is to ensure that any actions by written consent are approved by all of the trustees, which we believe brings us in line with most other publicly traded companies on this issue.

THE BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" APPROVAL OF PROPOSAL 2(m).

Proposal 2(n) Amendments Regarding Conforming Changes and Other Immaterial Modifications to the Charter and Amendment and Restatement of the Charter

In addition to the other proposed amendments to the Charter particularly described in Proposals 2 and 3, we are also proposing to amend the Charter to update defined terms, to conform cross-references and section titles, to make other immaterial drafting changes throughout the Charter as reflected in the form of Amended and Restated Charter attached hereto as Exhibit A-I. We believe that none of these immaterial amendments would materially affect the rights or preferences of our shareholders (except as otherwise described herein). We believe that these amendments and the restatement to integrate all of the amendments approved by shareholders are advisable in order to simplify reference to the Charter for our shareholders, trustees, officers, employees, agents and advisors.

THE BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" APPROVAL OF PROPOSAL 2(n).

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PROPOSAL 3: CERTAIN ADDITIONAL AMENDMENTS TO OUR DECLARATION OF TRUST (75% APPROVAL)

As described above, our Board has unanimously adopted resolutions to amend a number of provisions of the Charter, determined the advisability of the amendments and recommended the submission of the amendments for shareholder approval at the Annual Meeting.

Vote Required and Recommendation

Each of the proposed amendments set forth in each of Proposals 3(a) through 3(g) must be approved by the affirmative vote of at least 75% of the total number of votes authorized to be cast by shares then outstanding and entitled to vote on the proposed amendments. Therefore, for purposes of each of Proposals 3(a) through 3(g), failure to vote and abstentions and broker non-votes will have the same effect as votes against the proposal, although abstentions and broker non-votes will count toward the presence of a quorum.

THE BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" APPROVAL OF EACH OF PROPOSALS 3(a) THROUGH 3(g).

Proposal 3(a) Amendment to Declassify the Board and Provide for Annual Elections

Section 2.1 of the Charter provides that the Board is classified into three groups, with each group of trustees serving a staggered term, so that the term of only one class expires at each annual meeting of shareholders and each class is elected to a three-year term.

The Board has proposed that Section 2.1 of the Charter (and any related provisions and language elsewhere in the Charter) be revised to (i) declassify the board, (ii) provide that each trustee serves for a one year term, and (iii) provide that the Company may not elect pursuant to Maryland law to reclassify the board without the prior approval of at least a majority of outstanding shares. If this amendment is approved, immediately after the vote on all matters in Proposals 2 and 3, the Annual Meeting will be recessed briefly so that the Amended and Restated Charter may be filed with the State Department of Assessments and Taxation of Maryland. All of the trustees whose terms would not otherwise expire at the Annual Meeting have voluntarily agreed to resign if this proposal is approved and stand for election or re-election, as the case may be, to a one year term at the Annual Meeting. Assuming the proposed amendment is approved and the Amended and Restated Charter is accepted for record by the State Department of Assessments and Taxation of Maryland, the Meeting will resume and the trustees will then be elected for a term of one year and until their successors are duly elected and qualify.

The purpose of this amendment is to declassify the board and provide that each trustee serves for a one year term in order to bring our governance structure into line with shareholder-favorable market practice, thereby enhancing the rights of shareholders and improving our corporate governance to maximize management accountability to shareholders. The amendment also ensures that the shareholders will have the opportunity to approve any reclassifying of the Board in the future, which will help to ensure that our trustees and shareholders are aligned in making any such decision. The election of trustees is the primary means for shareholders to exercise influence over us and our policies. The Board believes that classified boards are often viewed as having the effect of reducing the accountability of trustees to a company's shareholders. A classified board limits the ability of shareholders to elect all trustees on an annual basis and may discourage proxy contests in which shareholders have an opportunity to vote for a competing slate of nominees. Moreover, unsolicited tender offers for shares are sometimes accompanied by proxy contests. Declassifying the Board could therefore make it more likely that a potential acquiror may offer our shareholders a control premium for their shares. However, if the amendment is approved, the entire Board could be removed in any single year, which could make it more difficult to discourage persons from engaging in proxy contests

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or otherwise seeking control of us on terms that the then-incumbent Board does not believe are in the best interest of our shareholders. While classified boards are viewed by some companies as increasing the long-term stability and continuity of a board, we believe that long-term stability and continuity should result from the annual election of trustees, which provides shareholders with the opportunity to evaluate the trustees' performance, both individually and collectively, on an annual basis.

THE BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" APPROVAL OF PROPOSAL 3(a).

Proposal 3(b) Amendment to Provide Majority Voting for Mergers

Section 6.15 of the Charter provides that except as otherwise provided in the Charter, we may affect any merger or consolidation in accordance with applicable law. Maryland law requires a two-thirds shareholder vote to approve any merger, unless the Charter provides for a lower threshold that must be at least a majority of the votes authorized to be cast. There is no specific voting standard under applicable law for consolidations.

The Board has proposed that Section 6.15 of the Charter (and any related provisions and language elsewhere in the Charter) be revised to remove the reference to the default voting standard under applicable law and insert a requirement that mergers or consolidations be approved by the affirmative vote of a majority of the total number of votes authorized to be cast by shares then outstanding and entitled to vote. The purpose of this amendment is to provide a more shareholder-friendly standard for approval of mergers.

THE BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" APPROVAL OF PROPOSAL 3(b).

Proposal 3(c) Amendment to Require Majority Vote for Charter Amendments

Section 8.3 of the Charter provides that a majority of outstanding shares is required to amend the Charter; however, no amendment is permitted that would increase the personal liability of our shareholders, trustees, officers, employees and agents, and a 75% vote is required to amend provisions relating to the number and election of trustees, investment policy, ownership limitations, related party business transactions and the amendment procedure for the Charter.

The Board has proposed that Section 8.3 of the Charter (and any related provisions and language elsewhere in the Charter) be revised to provide that the Charter may be amended in any respect by the affirmative vote of a majority of the total number of votes authorized to be cast by shares then outstanding and entitled to vote. The purpose of this amendment is to provide for majority voting with respect to Charter amendments to give us more flexibility and enhance the rights of shareholders and our corporate governance practices.

THE BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" APPROVAL OF PROPOSAL 3(c).

Proposal 3(d) Amendment to Remove Voting Standard for Combinations with 10% Shareholders

Section 6.15 of the Charter opts out of the Maryland Business Combination Act (the "MBCA") and, in lieu thereof, provides that the affirmative vote of 75% of outstanding shares is required for the approval or authorization of any business combination with any 10% or greater shareholder. However, the 75% voting requirement is not required if (1) the Board unanimously approves the acquisition that caused the 10% or greater shareholder to become a 10% or greater shareholder or approved the business combination before such 10% or greater shareholder became a 10% or greater shareholder; or (2) the business combination is solely between us and another limited partnership, partnership, trust or corporation, 100% of the voting securities of which we directly or indirectly own.

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The Board has proposed that Section 6.15 of the Charter (and any related provisions and language elsewhere in the Charter) be revised to remove the opt-out from the MBCA and remove this 75% voting standard for business combinations with 10% or greater shareholders. The purpose of this amendment is to provide the Board flexibility to opt out of the MBCA by resolution, which it has done at the June Board Meeting, and separately to remove the 75% voting standard for business combinations with 10% or greater shareholders so that such business combinations will be governed by the general majority approval requirements for all other business combinations and will not by subject to a higher voting standard, unless a higher vote is required by applicable law in the future.

THE BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" APPROVAL OF PROPOSAL 3(d).

Proposal 3(e) Amendment to Increase the Number of Permitted Trustees

Section 2.1 of the Charter provides that there may be no fewer than three, and there may be no more than 12, trustees, but that the exact number of trustees will be five until changed by a two-thirds vote of the trustees or by an amendment to the Charter.

The Board has proposed that Section 2.1 of the Charter (and any related provisions and language elsewhere in the Charter) be revised so that there may be no fewer than three, and there may be no more than 13, trustees, but that the exact number of trustees will initially be 11 until changed by a vote of the trustees. The purpose of this amendment is to provide the Board with more flexibility in setting the number of trustees from time to time.

THE BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" APPROVAL OF PROPOSAL 3(e).

Proposal 3(f) Amendment to Install Revised REIT Ownership Limitation Provisions

Section 6.14 of the Charter provides us with certain rights that may be used to protect our REIT status. In the event that any transfer of shares could, in the Board's opinion, jeopardize our REIT status, we may refuse to permit such transfer. In addition, in any such transfer, or in the event that a transfer of shares could result in any shareholder (other than specified excepted shareholders) owning in excess of 9.8% in value of our outstanding shares, we have the right to purchase any shares transferred to the extent such shares would jeopardize our REIT status or to the extent such shares exceed 9.8% in value of our outstanding shares. Our external advisor, any person to whom such advisor's ownership is attributed or whose ownership is attributed to the advisor, and any other person approved by the Board are excepted holders who may own in excess of 9.8%. In addition to the foregoing, any transfer that would result in termination of our status is null and void.

The Board has proposed that Section 6.14 of the Charter (and any related provisions and language elsewhere in the Charter) be removed and a new Article providing for revised REIT ownership limitations be inserted in the Charter. The proposed amendment would insert in the Charter the REIT ownership limitations that are similar to those included in our previous bylaws. Under these provisions:

no person, other than an excepted holder, may beneficially own or constructively own common or preferred shares in excess of 9.8% in vote or value of such class;

no excepted holder may beneficially own or constructively own shares in excess of an excepted holder limit established by the Board;

no person may beneficially own or constructively own shares to the extent that (i) such beneficial ownership or constructive ownership of shares would result in our Company being "closely held" within the meaning of Section 856(h) of the Internal Revenue Code of 1986, as amended (the "Code") (without regard to whether the ownership interest is held during the last half of a

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taxable year), or (ii) such beneficial or constructive ownership of shares would result in our Company otherwise failing to qualify as a REIT; and

any transfer that, if effective, would result in our shares being beneficially owned by less than 100 persons (determined under the principles of Section 856(a)(5) of the Code) will be void ab initio, and the intended transferee will acquire no rights in such shares.

In the event of any transfer in violation of the above prohibitions, we may deem the portion of the shares transferred in violation of the above prohibitions transferred to a charitable trust for the benefit of a charitable beneficiary effective on the date prior to such non-permitted transfer. Any profit from the sale of such shares by the charitable trust may be retained by the charitable trust. In addition, the proceeds of the sale of such shares may be used to compensate and indemnify the charitable trustee and the trust for their expenses. In addition to the foregoing, the Board may take such action as it deems advisable to refuse to give effect to or to prevent such transfer or other event, including, without limitation, causing us to redeem shares, refusing to give effect to such transfer on our books or instituting proceedings to enjoin such transfer or other event.

In addition to the foregoing, these REIT ownership limitation provisions give our Board the authority, in its sole discretion, to grant exemptions to the share ownership limits, subject to certain conditions and the receipt by our Board of certain representations and undertakings.

The purpose of this amendment is to provide for more up-to-date and customary REIT ownership limitations consistent with the ownership limitations in the charters of other publicly traded REITs and also to give our Board the ability to grant exceptions without shareholder approval, as is customary. Ownership limitations of this type are common in REIT charters and are intended to provide added assurance of compliance with the tax law requirements, including the limitations on the concentration of ownership of REIT stock imposed by the Code, and to minimize administrative burdens and for strategic reasons. However, these ownership limits on our common shares also might delay, defer or prevent a transaction or a change in control of our Company that might involve a premium price for our common shares or otherwise be in the best interest of our shareholders.

THE BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" APPROVAL OF PROPOSAL 3(f).

Proposal 3(g) Amendment to Broaden Investment Policy

Article V of the Charter contains a detailed investment policy that we must follow, including both affirmative policies (such as that our investments are to include income producing rehabilitation, health care, related facilities and other real estate investments) and prohibitions (such as that we are prohibited from investing in commodities, holding unimproved or non-income producing land or using land for farming, among other things).

The Board has proposed that Article V of the Charter (and any related provisions and language elsewhere in the Charter) be removed and replaced with a broader statement of investment policy that we are to make investments in such a manner as to comply with the REIT provisions of the Code and with the requirements of Title 8 of the Corporations and Associations Article of the Annotated Code of Maryland with respect to the composition of our investments and the derivation of our income. Moreover, the new investment policy may be amended by the Board from time to time by resolution or in the Bylaws. The purpose of this amendment is to replace our existing detailed and restrictive investment policy with a broader, more flexible investment policy that the Board is expressly permitted to alter as it deems necessary or appropriate.

THE BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" APPROVAL OF PROPOSAL 3(g).

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PROPOSAL 4: REIMBURSEMENT OF EXPENSES TO RELATED AND CORVEX

On May 27, 2014, the Company received a letter from Related and Corvex requesting reimbursement for up to approximately $33.5 million of out-of-pocket third party expenses that they incurred in connection with their consent solicitations to remove our prior trustees from the Board and elect a new slate of nominees and to engage in related litigation (the "Reimbursement Proposal"). Related and Corvex have proposed that, subject to receiving the approval of shareholders, they would be reimbursed for 50% of this amount. An additional 25% would be reimbursed only if the average closing price of our common shares is at least $26.00 (as adjusted for any splits or share dividends) during the one year period after the date on which the Reimbursement Proposal is approved by shareholders, and the remaining 25% would be reimbursed only if the average closing price of our common shares is at least $26.00 (as adjusted for any splits or share dividends) during the one year period between the first and second anniversaries of the date on which the Reimbursement Proposal is approved by shareholders. As of June 10, 2014, the closing share price was $27.43.

Because each of our trustees has, or may be perceived to have, a conflict of interest, as described below, our Board has determined to submit the Reimbursement Proposal to the Company's shareholders so they may determine whether or not to approve the Reimbursement Proposal. For the reasons discussed more fully below, our Audit Committee and Board have unanimously determined that this request is reasonable and fair to the Company's shareholders and recommend that shareholders vote in favor of the Reimbursement Proposal. The payment to Related and Corvex under the Reimbursement Proposal is subject to the additional conditions that our shareholders approve the Reimbursement Proposal and that our Audit Committee receives a satisfactory report from an independent firm verifying the expenses for which reimbursement is sought.

Related is an affiliate of The Related Companies, L.P., a privately-owned real estate firm (the "Related Companies"), and Corvex is an investment firm headquartered in New York, New York. Related and Corvex each currently own approximately 4.4%, or approximately 8.8% in the aggregate, of our common shares as of June 10, 2014. As disclosed in previous public filings and disclosures, beginning in February 2013, Corvex and Related led efforts to remove the former members of our Board. Following the announcement of our equity offering in February 2013, Related and Corvex offered to acquire our Company and separately launched a consent solicitation to remove our trustees. During this time, Related and Corvex also engaged in litigation with our former trustees and executive officers regarding the solicitation process. Related and Corvex pursued this consent solicitation throughout 2013 and launched a new consent solicitation in January 2014 consistent with an arbitration panel ruling on various items in dispute. Pursuant to this consent solicitation, on March 25, 2014 Related and Corvex obtained the requisite written consents to remove our trustees from office and all trustees were so removed. The Company subsequently held a Special Meeting on May 23, 2014 at which the current members of our Board were elected. In connection with their successful efforts to remove the Company's former trustees and elect new trustees, Related and Corvex received the affirmative votes from holders of over 81% of the Company's outstanding common shares for both the removal of our former trustees and the election of their nominees.