

GOVERNMENT PROPERTIES TRUST INC

Form DEFM14A

March 12, 2007

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

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

GOVERNMENT PROPERTIES TRUST, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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:

Common Stock, par value \$0.01 per share, of Government Properties Trust, Inc.

(2) Aggregate number of securities to which transaction applies:

20,773,136 shares of Common Stock

(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): \$10.75 per share

(4) Proposed maximum aggregate value of transaction: \$223,311,212.00 (equal to the sum of 20,773,136 shares of Common Stock multiplied by \$10.75 per share).

(5) Total fee paid: \$23,894.30

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Government Properties Trust, Inc.
13625 California Street, Suite 310
Omaha, Nebraska 68154

March 12, 2007

Dear Stockholder:

A special meeting of stockholders of Government Properties Trust, Inc., a Maryland corporation, has been scheduled for Wednesday, April 4, 2007, at 10:00 a.m., Central time, at the Company's headquarters, 13625 California Street, Suite 310, Omaha, Nebraska 68154. At the special meeting, we will ask you to consider and vote on a proposal to approve the merger of our company into Record Realty (US) LLC, an indirect wholly owned subsidiary of Record Realty Trust, an Australian listed property trust, such that our company will become an indirect wholly owned subsidiary of Record Realty Trust, hereinafter referred to as the merger. The Agreement and Plan of Merger, referred to as the merger agreement, dated as of October 23, 2006, by and among Record Realty Trust, Record Realty (US) LLC and our company, provides for the acquisition of our company by Record Realty Trust. If the merger is approved and completed, you will no longer have an ownership interest in our company and your shares of Government Properties Trust, Inc. (GPT) common stock will be converted into the right to receive \$10.75 in cash, referred to as the merger consideration, without interest and less applicable withholding taxes, for each share of our common stock that you own. The merger consideration represents a 17.2% premium over the closing price of our common stock on October 23, 2006, the last trading day before the public announcement of the signing of the merger agreement.

At a meeting of our board of directors, the board unanimously: (i) approved the merger agreement; (ii) determined that the merger agreement and the terms and conditions of the merger are fair to, advisable and in the best interests of our company and our stockholders; and (iii) directed that the merger be submitted for approval at a special meeting of our stockholders. In reaching this determination, our board of directors considered a variety of factors, which are discussed in the attached proxy statement. Our board of directors recommends that all of our stockholders vote FOR the approval of the merger.

The merger cannot be completed unless the holders of a majority of the outstanding shares of our common stock entitled to be cast at the special meeting vote to approve the merger.

The accompanying Notice of Special Meeting of Stockholders and proxy statement explain the merger agreement and the merger and provide specific information concerning the special meeting. Please carefully read these materials and the appendices attached to the proxy statement.

Your vote is very important, regardless of the number of shares you own. To be certain that your shares are voted at the special meeting, please mark, sign, date and return promptly the enclosed proxy card in the postage-paid return envelope provided, whether or not you plan to attend the special meeting in person. If you do not return your proxy card or you abstain or do not instruct your broker or other nominee how to vote your shares, it will have the same effect as voting against the proposal to approve the merger. If you sign your proxy card without indicating your vote, your shares will be voted FOR the approval of the merger agreement and FOR adjournment of the special meeting, if necessary, to solicit additional proxies.

OUR BOARD OF DIRECTORS BELIEVES THAT THE MERGER IS IN THE BEST INTERESTS OF OUR COMPANY AND OUR STOCKHOLDERS. ACCORDINGLY, OUR BOARD HAS APPROVED THE MERGER AND RECOMMENDS THAT YOU VOTE FOR APPROVAL OF THE MERGER.

Please do not send your stock certificates to us at this time.

On behalf of our board of directors, thank you in advance for your continued support.

Sincerely,

Jerry D. Bringard
Chairman of the Board

This proxy statement is dated March 12, 2007 and is first being mailed to our stockholders on or about March 12, 2007.

**GOVERNMENT PROPERTIES TRUST, INC.
13625 California Street, Suite 310
Omaha, Nebraska 68154
(402) 391-0010**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON WEDNESDAY, APRIL 4, 2007**

NOTICE IS HEREBY GIVEN that a special meeting of stockholders of Government Properties Trust, Inc., will be held at the Company's headquarters, 13625 California Street, Suite 310, Omaha, Nebraska 68154, on Wednesday, April 4, 2007 at 10:00 a.m., Central time, for the following purposes, all of which are more completely set forth in the accompanying proxy statement:

(1) to consider and vote upon a proposal to approve the merger of Government Properties Trust, Inc. on the terms and conditions set forth in the Agreement and Plan of Merger, dated as of October 23, 2006, by and among Record Realty Trust, Record Realty (US) LLC and Government Properties Trust, Inc., as described in the accompanying proxy statement; and

(2) to consider and vote upon a proposal to grant discretionary authority to adjourn the special meeting if necessary to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the merger.

Our board of directors recommends that all of our stockholders vote **FOR** the approval of the merger.

The board of directors has fixed March 9, 2007 as the record date for the determination of stockholders entitled to notice of and to vote at the special meeting and any adjournment or postponement thereof. Only those stockholders of record as of the close of business on that date will be entitled to notice of and to vote at the special meeting. At the close of business on the record date, there were 20,773,136 shares of our common stock entitled to vote at the special meeting. Please note that, under applicable law, holders of our common stock are not entitled to dissenters' rights in connection with the merger.

By Order of the Board of Directors,

Thomas D. Peschio
President

Omaha, Nebraska
March 12, 2007

YOUR VOTE IS VERY IMPORTANT

THE AFFIRMATIVE VOTE OF THE HOLDERS OF A MAJORITY OF THE OUTSTANDING SHARES OF OUR COMMON STOCK ENTITLED TO BE CAST AT THE SPECIAL MEETING IS REQUIRED TO APPROVE THE MERGER. EVEN IF YOU PLAN TO BE PRESENT AT THE SPECIAL MEETING, YOU ARE URGED TO COMPLETE, SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD PROMPTLY IN THE ENCLOSED POSTAGE-PAID RETURN ENVELOPE PROVIDED. IF YOU ATTEND THE SPECIAL MEETING, YOU MAY VOTE EITHER IN PERSON OR BY PROXY. ANY

PROXY GIVEN MAY BE REVOKED BY YOU IN WRITING OR IN PERSON AT ANY TIME PRIOR TO THE EXERCISE THEREOF. HOWEVER, IF YOU ARE A STOCKHOLDER WHOSE SHARES ARE NOT REGISTERED IN YOUR OWN NAME, YOU WILL NEED ADDITIONAL DOCUMENTATION FROM THE RECORD HOLDER IN ORDER TO VOTE IN PERSON AT THE SPECIAL MEETING. FAILURE TO VOTE YOUR SHARES BY MAIL OR IN PERSON AT THE SPECIAL MEETING WILL HAVE THE SAME EFFECT AS A VOTE AGAINST THE MERGER. IF YOU SIGN YOUR PROXY CARD WITHOUT INDICATING YOUR VOTE, YOUR SHARES WILL BE VOTED FOR THE APPROVAL OF THE MERGER AGREEMENT AND FOR ADJOURNMENT OF THE SPECIAL MEETING, IF NECESSARY, TO SOLICIT ADDITIONAL PROXIES.

**GOVERNMENT PROPERTIES TRUST, INC.
PROXY STATEMENT**

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This proxy statement and the documents incorporated herein by reference contain forward-looking statements by us within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, that are based on our current expectations, assumptions, estimates and projections about our company and our industry. These forward-looking statements include our statements concerning whether and when the proposed merger will close, whether conditions to the proposed merger will be satisfied, and the effect of the proposed merger on our business and operating results. In addition, any of the words believes, expects, anticipates, estimates, plans, projects, similar expressions indicate forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements due to, among other things:

the failure of the merger to be completed or difficulties in obtaining stockholder approval of the merger or regulatory approvals;

diversion of management time on merger-related issues;

changes in the interest rate environment;

changes in loan demand or real estate values;

changes in general economic conditions or changes in the mortgage banking industry;

legislative or regulatory changes; and

failure to satisfy the other conditions to the merger.

The statements made in this proxy statement represent our views as of the date of this proxy statement, and it should not be assumed that the statements made herein will remain accurate as of any future date. Except to the extent required by applicable law or regulation, we undertake no duty to any person to update the statements made in this proxy statement under any circumstances. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions.

For additional information about factors that could cause actual results to differ materially from those described in the forward-looking statements, please see our reports that have been filed with the Securities and Exchange Commission, or SEC, under [Where You Can Find More Information](#).

QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: What matters will I be asked to vote on at the special meeting?

A: At the special meeting, stockholders will be asked to consider and vote upon:

a proposal to approve the merger; and

a proposal to grant discretionary authority to adjourn the special meeting if necessary to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the merger.

If the merger is completed, you will no longer own shares of GPT common stock.

Q: How does GPT's board of directors recommend that I vote on the merger?

A: At a meeting of our board of directors, the board unanimously: (i) approved the merger agreement; (ii) determined that the merger agreement and the terms and conditions of the merger are fair to, advisable and in the best interests of our company and our stockholders; and (iii) directed that the merger be submitted for approval at a special meeting of our stockholders. In reaching this determination, our board of directors considered a variety of factors, which are discussed in the attached proxy statement. **Our board of directors recommends that all of our stockholders vote FOR the approval of the merger.**

Q: What effect will the merger have on our company?

A: If the merger is completed, we will be an indirect wholly owned subsidiary of Record Realty Trust and our common stock will no longer be publicly traded.

Q: What will I receive in the merger?

A: If the merger is completed, you will be entitled to receive \$10.75 in cash, referred to as the merger consideration, without interest and less any applicable withholding taxes, for each share of our common stock that you own at the effective time of the merger. For example, if you own 100 shares of our common stock, you will be entitled to receive \$1,075.00 in cash, less any applicable withholding taxes, in exchange for those shares.

Q: Who will own our company after the merger?

A: If the merger is completed, we will be an indirect wholly owned subsidiary of Record Realty Trust.

Q: What do I need to do now?

A: We urge you to read this proxy statement carefully, including its appendices, and to consider how the merger affects you. Then sign, date and mail your proxy card in the enclosed prepaid return envelope as soon as possible. This will enable your shares to be represented and voted at the special meeting. If you sign your proxy card without indicating your vote, your shares will be voted FOR the approval of the merger agreement and FOR the adjournment of the special meeting, if necessary, to solicit additional proxies.

Q: What does it mean if I receive more than one proxy card?

A: If you have shares of our common stock that are registered differently and are in more than one account, you will receive more than one proxy card. Please follow the directions for voting on each of the proxy cards you receive to ensure that all of your shares are voted.

Q: What happens if I do not return a proxy card by mail?

A: If you fail to return your proxy card by mail, your shares will not be counted for purposes of determining whether a quorum is present at the special meeting. In addition, the failure to return your proxy card by mail will have the same effect as voting against the proposal to approve the merger.

Q: What vote is needed to approve the merger?

A: The affirmative vote of the holders of a majority of the outstanding shares of our common stock entitled to be cast at the special meeting is required to approve the merger. Each holder of our common stock is entitled to one vote per share. If you sign your proxy card without indicating your vote, your shares will

be voted **FOR** the approval of the merger agreement and **FOR** the adjournment of the special meeting, if necessary, to solicit additional proxies.

Q: What vote of stockholders is required for the proposal to adjourn the special meeting?

A: The proposal to adjourn the special meeting, if necessary, to solicit additional proxies requires the affirmative vote of a majority of the votes entitled to be cast by the holders of our common stock present in person or represented by proxy at the special meeting and entitled to vote at the special meeting.

Q: Who can vote on the merger?

A: Holders of our common stock at the close of business on March 9, 2007, the record date for the special meeting, may vote in person or by proxy on the merger agreement at the special meeting. Each outstanding share of our common stock on the record date entitles the holder thereof to one vote on each matter submitted to stockholders for approval at the special meeting. As of the close of business on the record date, there were 20,773,136 shares of common stock of GPT entitled to be voted at the special meeting.

Q: If my shares are held in street name by my broker or bank, will my broker or bank automatically vote my shares for me?

A: No. Your broker, bank or other nominee will not be able to vote shares held by it in street name on your behalf without instructions from you. You should instruct your broker, bank or other nominee to vote your shares, following the directions your broker, bank or other nominee provides.

Q: What if I fail to instruct my broker or bank?

A: Failure to vote, including the failure to give your broker, bank or other nominee instructions, will have the same effect as voting against the proposal to approve the merger.

Q: When and where is the special meeting?

A: The special meeting will be held at the Company's headquarters, 13625 California Street, Suite 310, Omaha, Nebraska 68154 on Wednesday, April 4, 2007 at 10:00 a.m., Central time.

Q: Do I need to attend the special meeting in person in order to vote?

A: No. You do not have to attend the special meeting in order to vote your shares of our common stock. Your shares can be voted at the special meeting without attending by mailing your completed, dated and signed proxy card in the enclosed postage-paid return envelope.

Q: Can I attend the special meeting and vote my shares in person?

A: Yes. All of our stockholders are invited to attend the special meeting. Our stockholders of record on March 9, 2007 can vote in person at the special meeting. If your shares are held in street name, then you are not the stockholder of record and you must ask your broker, bank or other nominee how you can vote at the special meeting.

Q: May I change my vote after I have mailed my signed proxy card?

A: Yes. You may change your vote at any time before your proxy is voted at the special meeting. You can do this in one of three ways. First, you can send a written, dated notice to our Secretary stating that you would like to revoke your proxy. Second, you can complete, date, and submit a new proxy card by mail, and any earlier dated proxies will be revoked automatically. Third, you can attend the special meeting and vote in person. Your attendance alone will not revoke your proxy. If you have instructed a broker, bank or other nominee to vote your shares, you must follow directions received from your broker, bank or other nominee to change your vote.

Q: How are votes counted?

A: For the proposal relating to the approval of the merger agreement, you may vote FOR, AGAINST or ABSTAIN . Abstentions will not count as votes cast on the proposal relating to approval of the merger agreement, but will count for the purpose of determining whether a quorum is present.

For the proposal to adjourn the special meeting, if necessary, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the merger agreement, you may vote **FOR**, **AGAINST** or **ABSTAIN**. Abstentions will not count as votes cast on the proposal to adjourn the special meeting, if necessary, to solicit additional proxies, but will count for the purpose of determining whether a quorum is present.

If you sign your proxy card without indicating your vote, your shares will be voted **FOR** the approval of the merger agreement and **FOR** the adjournment of the special meeting, if necessary, to solicit additional proxies.

A broker non-vote generally occurs when a broker, bank or other nominee holding shares on your behalf does not vote on a proposal because the nominee has not received your voting instructions and lacks discretionary power to vote the shares. Broker non-votes will not count as votes cast on a proposal, but will count for the purpose of determining whether a quorum is present.

Q: Should I send in my stock certificates now?

A: No. After the merger is completed, you will receive written instructions for exchanging your shares of our common stock for the merger consideration of \$10.75 in cash, without interest and less applicable withholding taxes, for each share of our common stock that you own at the effective time of the merger.

Q: Will the merger be a taxable transaction for me?

A: If you are a U.S. taxpayer, for United States federal income tax purposes your receipt of the merger consideration will be treated as a taxable sale of our common stock held by you. In general, on each share of our common stock owned by you, you will recognize gain or loss as a result of your receipt of the merger consideration equal to the difference between (i) the merger consideration per share of our common stock exchanged in the merger and (ii) the adjusted tax basis in that share. In addition, because the merger may be a taxable transaction to non-U.S. stockholders, we intend to withhold a portion of the merger consideration that is payable to non-U.S. stockholders and, under certain circumstances, we may be required to withhold a portion of the merger consideration of U.S. stockholders under applicable tax laws. A non-U.S. stockholder is urged to consider selling his, her or its shares prior to the merger in order to be subject to generally more favorable provisions that govern the U.S. federal income tax consequences of a sale of real estate investment trust (REIT) shares rather than the generally less favorable provisions that apply to distributions by REITs. Tax matters can be complicated, and the tax consequences of the merger to you will depend on your particular tax situation. We encourage you to consult your tax advisor regarding the tax consequences of the merger to you.

Q: What about payment of dividends through closing?

A: The merger agreement permits us to pay regular quarterly dividends for any calendar quarters prior to the quarter during which the proposed merger is completed. However, we may not pay any quarterly dividend in excess of \$0.1125 per share without the written consent of Record Realty Trust. We expect to complete the proposed merger shortly after the special meeting. Immediately prior to the completion of the proposed merger, we will declare a quarterly prorated cash dividend covering the period from the first date of the quarter in which the proposed merger is consummated through the date of consummation of the proposed merger.

Q: Will I have dissenters' rights in connection with the merger?

A: No. Under Maryland law, which is the jurisdiction of our incorporation, holders of our common stock do not have rights to dissent from the merger and obtain the fair value of their shares.

Q: When do you expect to complete the merger?

A: We are working toward completing the merger as quickly as possible. We hope to complete the merger as soon as possible following the special meeting, and the receipt of all required regulatory and lender approvals and statements of lease from the General Services Administration of the United States of America. Although we cannot assure you when or if the merger will be completed, we are working toward a closing shortly after the special meeting. In addition to receipt of stockholder, regulatory and lender

approvals and statements of lease from the General Services Administration, the other closing conditions contained in the merger agreement must be satisfied or waived. Either we, Record Realty Trust or Record Realty (US) LLC may terminate the merger agreement if the merger has failed to occur on or before June 30, 2007, so long as any failure by the terminating party to comply with any provision of the merger agreement in a material respect has not caused or resulted in that failure.

Q: What if the proposed merger is not completed?

A: If the merger is not completed, we will continue our current operations and will remain a publicly held company and you will not receive any of the merger consideration.

Q: Who will bear the cost of this solicitation?

A: We will pay the cost of this solicitation, which will be made primarily by mail. Proxies also may be solicited in person, or by telephone, facsimile, Internet or similar means, by our directors, officers or employees without additional compensation. We will, on request, reimburse stockholders who are brokers, banks or other nominees for their reasonable expenses in sending proxy materials to the beneficial owners of the shares they hold of record.

Q: Whom should I call with questions?

A: If you would like additional copies, without charge, of this proxy statement or if you have questions about the merger, including the procedures for voting your shares, you should contact our investor relations department via e-mail at slatham@gptrust.com or call (402) 548-4207.

SUMMARY

This summary highlights selected information from this proxy statement and may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the legal terms of the merger, you should read carefully this entire document, including the merger agreement, attached as Appendix A, and the other documents to which we have referred you. See *Where You Can Find More Information* beginning on page 48. Page references are included in this summary to direct you to a more complete description of the topics.

Throughout this document, *Record Realty* refers to Record Realty Trust, an Australian listed property trust, *Record Realty (US)* refers to Record Realty (US) LLC, a Maryland limited liability company and wholly owned subsidiary of Record Realty, and references to *we*, *us*, *our*, *the Company* or *GPT* refer to Government Properties Trust, Inc. *A* we refer to our merger with Record Realty (US) as the *merger*, and the Agreement and Plan of Merger, dated as of October 23, 2006, by and among Record Realty, Record Realty (US) and GPT as the *merger agreement*.

Parties to the Proposed Merger (Page 14)

GPT. Government Properties Trust, Inc. invests primarily in single tenant properties under long-term leases to the U.S. government. Government Properties Trust, Inc. is a self-managed, self-administered real estate investment trust, or REIT. The Company is located at 13625 California Street, Suite 310, Omaha, Nebraska 68154. For additional information, please visit the Government Properties Trust, Inc. web site at www.gptrust.com. The Company's telephone number is 402-391-0010.

Record Realty. Record Realty is an investment vehicle managed by Record Funds Management Limited, a wholly owned subsidiary of Allco Finance Group, which applies structured finance techniques designed to achieve optimal returns on investments. Record Realty's investment model targets quality properties with stable long-term cash flows from premium principal tenants (government or major corporates) and where there is a high probability of lease renewal. Record Realty's strategy is primarily focused on investing in the residual equity positions of premium properties and property portfolios. Record Realty is located at Level 24 Gateway Building, 1 Macquarie Place, Sydney, Australia. Record Realty's telephone number is 011-612-9255-4100.

Record Realty (US). Record Realty (US) is a wholly owned subsidiary of Record Realty organized under the laws of Maryland. It was formed solely for the purposes of the merger with GPT and is engaged in no other business. Record Realty (US) is located at c/o Record Realty Trust, 153 East 53rd Street, 55th Floor, New York, New York 10022-4611. Record Realty (US)'s telephone number is 212-835-9090.

Structure of the Merger (Page 26)

We encourage you to read carefully the merger agreement in its entirety, a copy of which is attached as Appendix A to this proxy statement, because it is the legal document that governs the merger. We are proposing a merger whereby we will become a wholly owned subsidiary of Record Realty. If the merger is approved, GPT will merge with and into Record Realty (US), with Record Realty (US) as the surviving company. We expect to complete the proposed merger shortly after the special meeting.

Pursuant to the Merger, GPT Stockholders Will Receive \$10.75 for Each Share of GPT Common Stock Outstanding (Page 26)

Immediately prior to the completion of the merger, all unvested shares of GPT restricted common stock shall vest in full and shall become outstanding shares of common stock for the purposes of the merger and the holders thereof shall be entitled to receive the merger consideration.

If the merger of GPT with and into Record Realty (US) is completed, each outstanding share of our common stock will be converted into the right to receive \$10.75 in cash, without interest and less any applicable withholding taxes.

Potential Reductions to Merger Consideration (Page 26)

Prior to entering into the merger agreement, GPT had entered into a definitive agreement to purchase certain property in Denver, Colorado. The merger agreement provided for two potential reductions to the merger consideration (in an aggregate amount not to exceed \$0.08 per share), both of which related to the acquisition of that Denver property.

The merger agreement provided that, if GPT did not amend the Denver property purchase agreement (in a manner favorable to GPT as described in the merger agreement) prior to the time the merger is consummated, the merger consideration would be reduced by \$618,960, or approximately \$0.03 per share. On November 15, the Denver property purchase agreement was so amended.

The merger agreement also provided for a reduction of the merger consideration, in an amount not to exceed \$0.05 per share, in the event that (1) the Denver property purchase agreement was terminated prior to the completion of the merger or (2) at the time the merger is consummated, GPT had not completed the acquisition of the Denver property and (a) any default had occurred that was reasonably likely to result in the termination of the Denver property purchase agreement, (b) it was reasonably likely that any condition to closing on the purchase of the Denver property would not be satisfied or (c) GPT failed to provide to Record Realty specified evidence confirming that there were no existing defaults under the Denver property purchase agreement. On December 20, 2006, GPT completed the acquisition of the Denver property.

Because both contingencies have been satisfied in full, the merger consideration will not be decreased as contemplated by these provisions of the merger agreement, and, if the merger is completed, every stockholder will receive \$10.75 per share.

Procedures for the Exchange of GPT Common Stock Certificates and Grants of Restricted Stock (Page 27)

Our stockholders will need to surrender their common stock certificates or grants evidencing ownership of restricted common stock in order to receive the \$10.75 in cash per share after the consummation of the merger, but you should not send in any certificates or grants now. As soon as reasonably practicable after the effective time of the merger, Record Realty (US) will cause an exchange agent to send to our stockholders a letter of transmittal and instructions for surrendering certificates or grants representing shares of our common stock in exchange for the merger consideration. The letter of transmittal should be completed and returned to the designated exchange agent along with the stock certificates or grants representing shares of our common stock. After the letter of transmittal has been received and processed, our stockholders will be sent the merger consideration, without interest and less applicable withholding taxes, to which they are entitled.

Market Price Information (Page 45)

Our common stock is listed on the New York Stock Exchange under the symbol GPT. On October 23, 2006, the last trading day preceding public announcement of the proposed merger, the closing share price of our common stock was \$9.17. On March 9, 2007, the last practicable trading date before the printing of this proxy statement, the closing share price of our common stock was \$10.54.

Material United States Federal Income Tax Consequences of the Merger (Page 40)

The merger will be a taxable transaction for United States federal income tax purposes that will be treated as a sale or exchange by U.S. stockholders of shares of our common stock for the merger consideration. In general, with respect to each share of our common stock owned, a U.S. stockholder will recognize gain or loss as a result of the stockholder's receipt of the merger consideration equal to the difference between the merger consideration per share of our common stock exchanged in the merger and the stockholder's adjusted tax basis in that share. Such gain or loss will be capital gain or loss if such share is a capital asset in the hands of the stockholder and will be long-term gain or loss if the stockholder has held such share for more than twelve (12) months as of the effective time of the proposed merger. In addition, because the merger may be a taxable transaction to non-U.S. stockholders, we intend to withhold a portion of the merger consideration that is payable to non-U.S. stockholders and, under certain circumstances, we may be required to withhold a portion of the merger consideration of U.S. stockholders under applicable tax laws. A non-U.S. stockholder is urged to consider selling his, her or its shares prior to the merger in order to be subject to generally more favorable provisions that govern the U.S. federal income tax consequences of a sale of REIT shares rather than the generally less favorable provisions that apply to distributions by REITs.

Tax matters can be complicated, and the tax consequences of the merger to you, including the application and effect of any state, local or foreign income and other tax laws, will depend on the facts of your own situation. You are encouraged to consult your own tax advisor to understand fully the tax consequences of the merger to you.

Opinion of Our Financial Advisor (Page 20)

In connection with the merger, our financial advisor, Wachovia Securities, delivered a written opinion to our board of directors as to the fairness, from a financial point of view and as of the date of such opinion, of the merger consideration to be received by the holders of our common stock, subject to and based on the assumptions made, procedures followed, matters considered and limitations on the opinion and the review undertaken by Wachovia Securities, as set forth in the opinion. The written opinion of Wachovia is attached to this proxy statement as Appendix B. We encourage you to read this opinion carefully in its entirety for a description of the procedures followed, assumptions made, matters considered and limitations on the scope of review undertaken. The Wachovia opinion was provided to our board of directors in connection with its evaluation of whether the merger consideration was fair, from a financial point of view, to holders of GPT common stock and does not address any other aspect of the proposed merger. This opinion also does not address our underlying business decision to engage in the merger, the relative merits of the merger as compared to any alternative business strategies that might exist for us or the effect of any other transaction in which we might engage, and does not constitute a recommendation to any stockholder as to how such stockholder should vote or act with respect to any matter relating to the merger. Wachovia Securities provided its opinion for the information and assistance of the Company's board of directors in connection with their consideration of the transactions contemplated by the merger agreement.

Recommendation of Our Board of Directors (Page 18)

Our board of directors has determined that the merger and the terms of the merger agreement are fair to, advisable and in the best interests of our company and our stockholders. Our board of directors has approved the merger agreement and recommends that our stockholders vote **FOR** the approval of the merger.

The Special Meeting of Stockholders (Page 11)

Date, Time and Place. A special meeting of stockholders will be held on Wednesday, April 4, 2007, at 10:00 a.m., Central time, at the Company's headquarters, at 13625 California Street, Suite 310, Omaha, Nebraska 68154.

Purpose of the Special Meeting. At the special meeting, we will ask you to approve the merger. We will also ask you to approve a proposal to grant discretionary authority to adjourn the special meeting if necessary

to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the merger.

Record Date; Stock Entitled to Vote. You are entitled to vote at the special meeting if you owned shares of our common stock at the close of business on March 9, 2007, the record date for the special meeting. You will have one vote at the special meeting for each share of our common stock you owned at the close of business on the record date. As of the record date, there were 20,773,136 shares of our common stock entitled to be voted at the special meeting.

Quorum. The holders of a majority of the outstanding shares of common stock entitled to vote at meetings of stockholders as of the record date must be present, either in person or by proxy, to constitute a quorum at the special meeting. We will count abstentions, either in person or by proxy, and broker nonvotes (shares held by a broker or other nominee that does not have the authority to vote, and does not vote, on a matter but which otherwise submits a validly executed proxy) for the purpose of establishing a quorum. If at any time less than a quorum is present at the special meeting, it is expected that the special meeting will be adjourned or postponed until such time as a quorum is present.

Vote Required. Assuming a quorum is present, the affirmative vote of a majority of the outstanding shares of our common stock entitled to be cast at the special meeting is required to approve the merger.

Our Directors and Executive Officers Own Shares Which May Be Voted at the Special Meeting (Page 36)

As of the record date, our directors and executive officers beneficially owned approximately 1.20% of the outstanding shares of our common stock entitled to vote at the special meeting.

GPT and Record Realty Must Meet Several Conditions to Complete the Merger (Page 27)

Completion of the merger depends on meeting a number of conditions, including the following:

the requisite holders of the shares of our common stock must have approved the merger;

all regulatory approvals or waivers required to consummate the merger by any governmental authority must have been obtained and must remain in full force and effect, and all statutory waiting periods in respect thereof must have expired;

no statute, rule, regulation, judgment, decree, injunction or other order may have been enacted, issued, promulgated, enforced or entered which prohibits, restricts or makes illegal the consummation of the merger;

the representations and warranties of each of Record Realty, Record Realty (US), and GPT in the merger agreement must be accurate, subject to exceptions that would not have a material adverse effect on Record Realty or GPT, respectively;

Record Realty must have received statements of lease from the General Services Administration of the United States confirming that neither GPT nor any subsidiary thereof is in default of its obligations as landlord with respect to at least 90% of the aggregate square footage leased by the United States of America under leases with GPT or our subsidiaries;