

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): July 2, 2001

CORPORATE OFFICE PROPERTIES TRUST

(Exact name of registrant as specified in its charter)

MARYLAND	0-20047	23-2947217
-----	-----	-----
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification Number)

8815 CENTRE PARK DRIVE, SUITE 400
COLUMBIA, MARYLAND 21045

(Address of principal executive offices)

(410) 730-9092

(Registrant's telephone number, including area code)

ITEM 5. OTHER EVENTS

AIRPORT SQUARE PROPERTIES

Through a series of transactions, the last occurring on August 3, 2001, Corporate Office Properties Trust (the "Company"), through affiliates of Corporate Office Properties, L.P. (the "Operating Partnership"), acquired six office buildings and a contiguous fitness center totaling approximately 412,000 square feet located in the Airport Square Business Park in Linthicum, Maryland (the "Airport Square Properties").

The Airport Square Properties were acquired for an aggregate cost of \$45.3 million, including transaction costs. The Company paid the purchase price and transaction costs using \$24.1 in borrowings under two mortgage loans payable, \$13.2 million in borrowings under its existing secured revolving credit facility with Deutsche Banc Alex. Brown and cash reserves for the balance.

The following schedule sets forth certain information relating to each of the buildings as of August 30, 2001:

<Table>

<Caption>

Tenants	Year	Rentable	Total	Percentage of Total Rental	Total Rental Revenue per	Major	
more of	Built/	Square	Rental	Revenue of	Occupied	(10% or	
Property Locations Square Feet)	Renovated	Feet	Occupancy(1)	Revenue(2)	Occupied Sq.Ft.(3)	Square Foot(4)	Rentable

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
920 Elkridge Landing Rd. (100.0%)	1982	96,566	100.0%	\$ 1,346,798	21%	\$13.95	Ciena Corporation
880 Elkridge Landing Rd. Communications,	1981	91,534	100.0%	1,533,195	25%	16.75	Arbros
901 Elkridge Landing Rd. (59%);	1984	56,847	88.2%	752,158	12%	15.00	Inc. (100%) State of Maryland
Operations							Institute for
Management							Research and
Inc. (10%)							Sciences (15%); Powerize.com,
891 Elkridge Landing Rd. Corp.	1984	56,489	86.4%	877,341	14%	17.99	Medaphis Services
Life Insur.							(52%); Metropolitan
938 Elkridge Landing Rd. Defense	1984	52,988	100.0%	913,248	14%	17.23	Co. (26%) U.S. Department of
940 Elkridge Landing Rd. Services	1984	51,704	100.0%	777,432	12%	15.04	(100%) Cadmus Journal
870 Elkridge Landing Rd. Defense	1981	5,627	100.0%	105,738	2%	18.79	(100%) U.S. Dept. of
							(100%)
TOTAL/AVERAGE		411,755	96.5%	\$ 6,305,910	100%	\$15.87	

</Table>

- (1) This percentage is based on all leases in effect as of August 30, 2001.
- (2) Total rental revenue is the monthly contractual base rent as of August 30, 2001 multiplied by 12 plus the estimated annualized expense reimbursements under existing leases.
- (3) This percentage is based on the property's rental revenue to the total rental revenue of the Airport Square Properties.
- (4) This represents the property's total rental revenue divided by its occupied square feet as of August 30, 2001.

<Page>

The following schedule sets forth annual lease expirations for the Airport Square Properties as of August 30, 2001 assuming that none of the tenants exercise renewal options:

<Table>
<Caption>

							Total
Rental Revenue	Year of	Number of	Square Footage	Percentage of	Total Rental	Percentage of Total	of
Expiring Leases	Lease	Leases	of Leases	Total Occupied	Revenue of Expiring	Rental Revenue	Per
Rentable Square	Expiration(1)	Expiring	Expiring	Square Feet	Leases (2)	Expiring (2)	
Foot (2)							

<S>	<C>	<C>	<C>	<C>	(In thousands)	<C>	
<C>							
8/31/01- 12/31/01	1	5,921	1.5%	\$ 112	1.8%		
\$19.00	2002	3	38,745	9.8%	660	10.4%	
17.03	2003	4	15,320	3.9%	256	4.1%	
16.70	2004	1	14,724	3.7%	281	4.5%	
19.06	2005	2	73,121	18.4%	1,057	16.7%	
14.46							

-	2006	-	-	0.0%	-	0.0%
13.95	2007	1	96,566	24.3%	1,347	21.4%
-	2008	-	-	0.0%	-	0.0%
17.43	2009	1	8,431	2.1%	147	2.3%
17.24	2010	1	52,988	13.3%	913	14.5%
16.75	2011	1	91,534	23.0%	1,533	24.3%
		-	-----	-----	-----	-----
\$16.02	TOTAL/WEIGHTED	15	397,350	100.0%	\$ 6,306	100.0%
		==	=====	=====	=====	=====
	AVERAGE					

</Table>

- (1) This percentage is based on all leases in effect as of August 30, 2001.
- (2) Total rental revenue is the monthly contractual base rent as of August 30, 2001 multiplied by 12 plus the estimated annualized expense reimbursements under existing leases.
- (3) This percentage is based on the property's rental revenue to the total rental revenue of the Gateway 63 Properties.
- (4) This represents the property's total rental revenue divided by the respective property's occupied square feet as of August 30, 2001.

4

<Page>

The following schedule sets forth annual lease expirations as of August 30, 2001 for the Gateway 63 Properties assuming that none of the tenants exercise renewal options:

<Table>
<Caption>

Revenue	Year of	Number of	Square Footage	Percentage of	Total Rental	Percentage of	Total Rental
Leases	Lease	Leases	of Leases	Total	Revenue of	Total Rental	of Expiring
Square	Expiration	Expiring	Expiring	Occupied	Expiring Leases (1)	Revenue	Per Rentable
				Square Feet		Expiring (1)	Foot (1)

(in thousands)							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
-	8/31/01 - 12/31/01	-	-	0.0%	\$ -	0.0%	\$
-	2002	-	-	0.0%	-	0.0%	
-	2003	-	-	0.0%	-	0.0%	
-	2004	-	-	0.0%	-	0.0%	
21.50	2005	2	29,604	15.8%	636	21.4%	
-	2006	-	-	0.0%	-	0.0%	
-	2007	-	-	0.0%	-	0.0%	
-	2008	-	-	0.0%	-	0.0%	
-	2009	-	-	0.0%	-	0.0%	
15.74	2010	2	75,496	40.3%	1,189	40.0%	
14.00	2011	1	82,032	43.9%	1,148	38.6%	

TOTAL/WEIGHTED		5	187,132	100.0%	\$2,973	100.0%	\$
16.30		=	=====	=====	=====	=====	
AVERAGE							

</Table>

- (1) Total rental revenue is the monthly contractual base rent as of August 30, 2001 multiplied by 12 plus the estimated annualized expense reimbursements under existing leases.

(a) Financial Statements of Businesses Acquired

The financial statements of the Airport Square Properties and the Gateway 63 Properties are included herein. See pages F-14 through F-23.

(b) Pro Forma Financial Information

The pro forma condensed consolidating financial statements of the Company are included herein. See pages F-1 through F-13.

(c) Exhibits

<Table>
<Caption>

EXHIBIT NUMBER - - - - -	DESCRIPTION - - - - -
<S>	<C>
99.1	Purchase and Sale Agreement, dated February 28, 2001, between Aetna Life Insurance Company and COPT Acquisitions, Inc.
99.2	Contribution Agreement, dated June 1, 2001, between RA & DM, Inc., Manekin Investment Associates 3 LLC and Corporate Office Properties, L.P.
99.3	Computation of ratio of earnings to combined fixed charges and Preferred Share dividends.

</Table>

5

<Page>

SIGNATURES

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

Dated: September 5, 2001

CORPORATE OFFICE PROPERTIES TRUST

By: /s/ Randall M. Griffin

Name: Randall M. Griffin
Title: President and Chief Operating Officer

By: /s/ Roger A. Waesche, Jr.

Name: Roger A. Waesche, Jr.
Title: Chief Financial Officer

6

<Page>

CORPORATE OFFICE PROPERTIES TRUST
INDEX TO FINANCIAL STATEMENTS

<Table>
<Caption>

I.	PRO FORMA CONDENSED CONSOLIDATING FINANCIAL STATEMENTS OF THE COMPANY	
<S>		<C>
	Pro Forma Condensed Consolidating Balance Sheet as of June 30, 2001 (unaudited)	F-4
	Pro Forma Condensed Consolidating Statement of Operations for the Year Ended December 31, 2000 (unaudited)	F-5

Pro Forma Condensed Consolidating Statement of Operations for the Six Month Period Ended June 30, 2001 (unaudited)	F-6
--	-----

Notes and Management's Assumptions to Pro Forma Condensed Consolidating Financial Information	F-7
---	-----

II. AIRPORT SQUARE PROPERTIES

Report of Independent Accountants	F-14
-----------------------------------	------

Statement of Revenue and Certain Expenses for the Year Ended December 31, 2000	F-15
--	------

Statement of Revenue and Certain Expenses for the Six Months Ended June 30, 2001	F-16
--	------

Notes to Financial Statements	F-17
-------------------------------	------

III. GATEWAY 63 PROPERTIES

Report of Independent Accountants	F-19
-----------------------------------	------

Statement of Revenue and Certain Expenses for the Year Ended December 31, 2000	F-20
--	------

Statement of Revenue and Certain Expenses for the Six Months Ended June 30, 2001	F-21
--	------

Notes to Financial Statements	F-22
-------------------------------	------

</Table>

F-1

<Page>

CORPORATE OFFICE PROPERTIES TRUST
PRO FORMA CONDENSED CONSOLIDATING FINANCIAL INFORMATION

Set forth below are the unaudited pro forma condensed consolidating balance sheet as of June 30, 2001, and the unaudited pro forma condensed consolidating statements of operations for the year ended December 31, 2000 and the six month period ended June 30, 2001, of Corporate Office Properties Trust and its consolidated affiliates, including Corporate Office Properties, L.P. (the "Operating Partnership"). Corporate Office Properties Trust and its consolidated affiliates, including the Operating Partnership, are collectively referred to herein as the "Company."

The pro forma condensed consolidating financial information is presented as if the following transactions had been consummated on the earlier of the actual date of consummation or June 30, 2001, for balance sheet purposes, and at January 1, 2000, for purposes of the statements of operations:

2000 TRANSACTIONS:

- o The acquisition of an office building on April 18, 2000 ("7240 Parkway Drive") for \$7,464,000 using \$7,285,000 in proceeds from our Revolving Credit Facility with Deutsche Banc Alex. Brown (the "Revolving Credit Facility") and cash reserves for the balance.
- o The disposition of a retail property on June 19, 2000 ("Minot Retail") for \$2,970,000 of which \$2,432,000 was used to pay off a mortgage loan payable on the property and the balance applied to cash reserves.
- o The disposition of a retail property on November 10, 2000 ("Tred Avon") for \$5,800,000 of which \$2,756,000 was used to pay off a mortgage loan payable on the property, \$2,000,000 to pay down our Revolving Credit Facility and the balance applied to cash reserves.
- o The disposition of an office building on December 28, 2000 ("3 Center Drive") for \$2,790,000 of which \$1,755,000 was used to pay off a mortgage loan payable on the property and the balance applied to cash reserves.

The above transactions are collectively referred to herein as the "2000 Transactions."

2001 TRANSACTIONS:

- o On January 1, 2001, we acquired all of the stock in Corporate Office Management, Inc. ("COMI") that we did not previously own for \$26,000. We accounted for this acquisition using the purchase method of

accounting. Prior to January 1, 2001, we accounted for our investment in COMI and its subsidiaries using the equity method of accounting. Since we own all of the voting interests in COMI and control its operations effective January 1, 2001, we began consolidating the accounts of COMI and its subsidiaries with our accounts on that date.

- o The acquisition of two office buildings in Columbia, Maryland on May 14, 2001 (the "State Farm Properties") for \$13,245,000 using \$12,915,000 in proceeds from our Revolving Credit Facility and cash reserves for the balance.
- o The disposition of an office building located in Cranbury, New Jersey on June 18, 2001 ("19 Commerce Drive") for \$11,525,000 of which \$7,000,000 was used to pay off a mortgage loan

F-2

<Page>

payable on the property, \$728,000 to pay other settlement and sales costs and the balance applied to cash reserves.

- o The acquisition of six office buildings in Linthicum, Maryland during 2001 (the "Airport Square Properties") for \$45,301,000, including \$3,551,000 already reflected in the June 30, 2001 historical balances, using \$24,077,000 in proceeds from two mortgage loans payable, \$13,200,000 in proceeds from our Revolving Credit Facility, \$3,965,000 in proceeds from the sale of 19 Commerce Drive and cash reserves for the balance.
- o The acquisition of four office buildings in Columbia, Maryland on August 30, 2001 (the "Gateway 63 Properties") for \$23,835,000 using \$15,750,000 in proceeds from an assumed mortgage payable, \$4,295,000 in proceeds from our Revolving Credit Facility, issuing 310,342 common units in our Operating Partnership valued at \$3,259,000 to the seller and cash reserves for the balance.
- o The issuance of 544,000 Series D Cumulative Convertible Redeemable Preferred Shares of beneficial interest ("Series D Preferred Shares") on January 25, 2001 for net proceeds of \$11,893,000, \$8,245,000 of which was used to pay down the Revolving Credit Facility.
- o The issuance of 1,150,000 Series E Cumulative Redeemable Preferred Shares of beneficial interest ("Series E Preferred Shares") on April 6, 2001 for net proceeds of \$26,950,000, all of which was used to pay down the Revolving Credit Facility.
- o The issuance of 1,000,000 Series F Cumulative Redeemable Preferred Shares of beneficial interest ("Series F Preferred Shares") expected to occur in September 2001 for net proceeds of \$23,747,000, all of which is expected to be used to pay down the Revolving Credit Facility.

The above transactions are collectively referred to herein as the "2001 Transactions."

This pro forma condensed consolidating financial information should be read in conjunction with the historical financial statements of the Company and those of the Airport Square Properties and the Gateway 63 Properties. In management's opinion, all adjustments necessary to reflect the effects of the above transactions have been made. This pro forma condensed consolidating financial information is unaudited and is not necessarily indicative of what the Company's actual financial position would have been at June 30, 2001, nor does it purport to represent the future financial position and results of operations of the Company.

F-3

<Page>

CORPORATE OFFICE PROPERTIES TRUST
PRO FORMA CONDENSED CONSOLIDATING BALANCE SHEET
AS OF JUNE 30, 2001
(UNAUDITED)
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

<Table>
<Caption>

Pro Forma	Historical Consolidated	Airport Square Properties	Gateway 63 Properties	Preferred Offering	Pro Forma Adjustments
	(A)	(B)	(C)	(D)	

Consolidated

<S>	<C>	(B)	<C>	<C>	<C>
<C>		<C>			
ASSETS					
Net investments in real estate	\$ 792,000	\$ 41,750	\$ 23,835	\$ -	\$ -
\$ 857,585					
Cash and cash equivalents	2,962	(508)	(531)	-	
- 1,923					
Other assets	53,845	(3,965)	-	-	
- 49,880					
-- -----					
Total assets	\$ 848,807	\$ 37,277	\$ 23,304	\$ -	\$ -
- \$ 909,388					
=====					
LIABILITIES AND SHAREHOLDERS' EQUITY					
Liabilities					
Mortgage loans payable	\$ 475,999	\$ 37,277	\$ 20,045	\$ (23,747)	\$ -
\$ 509,574					
Other liabilities	38,171	-	-	-	
- 38,171					
-- -----					
Total liabilities	514,170	37,277	20,045	(23,747)	-
547,745					
-- -----					
Minority interests	103,491	-	2,847	-	
- 106,338					
-- -----					
Shareholders' equity					
Preferred shares of beneficial interest	29	-	-	10	-
39					
Common shares of beneficial interest	207	-	-	-	
- 207					
Additional paid-in capital	249,618	-	412	23,737	-
273,767					
Other	(18,708)	-	-	-	
- (18,708)					
-- -----					
Total shareholders' equity	231,146	-	412	23,747	-
255,305					
-- -----					
Total liabilities and shareholders' equity	\$ 848,807	\$ 37,277	\$ 23,304	\$ -	\$ -
- \$ 909,388					
=====					

</Table>

See accompanying notes and management's assumptions to pro forma financial statements.

F-4

<Page>

CORPORATE OFFICE PROPERTIES TRUST
PRO FORMA CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2000
(UNAUDITED)
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

<Table>
<Caption>

Historical	2000		State Farm	19 Commerce	Airport	Gateway 63
Consolidated	Transactions	COMI	Properties	Drive	Square	Properties
(A)	(B)	(C)	(D)	(E)	Properties	(G)
					(F)	

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
REVENUES:							
Rental revenue	\$ 93,309	\$ (638)	\$ -	\$ 1,698	\$ (1,401)	\$ 4,748	\$
1,004							
Tenant recoveries and other revenue	15,684	(232)	-	558	(27)	374	
83							
Service operation revenue	-	-	4,040	-	-	-	
-	-----	-----	-----	-----	-----	-----	-----

Total revenues	108,993	(870)	4,040	2,256	(1,428)	5,122	
1,087	-----	-----	-----	-----	-----	-----	-----

EXPENSES:							
Property operating	31,235	(189)	-	898	(413)	1,800	
153							
General and administrative	4,867	(5)	-	-	-	-	
-							
Interest	30,454	-	-	-	-	-	
-							
Depreciation and Amortization	18,359	-	-	-	-	-	
-							
Service operation expenses	-	-	4,254	-	-	-	
-	-----	-----	-----	-----	-----	-----	-----

Total expenses	84,915	(194)	4,254	898	(413)	1,800	
153	-----	-----	-----	-----	-----	-----	-----

Gain (loss) on sale of Properties	107	(107)	-	-	-	-	
-							
Equity in loss of unconsolidated subsidiary	(310)	-	-	-	-	-	
-	-----	-----	-----	-----	-----	-----	-----

Income (loss) before minority interests and income taxes	23,875	(783)	(214)	1,358	(1,015)	3,322	
934							
Minority interests Preferred Units	(2,240)	-	-	-	-	-	
-							
Other partnerships	(26)	-	(51)	-	-	-	
-							
Common Units	(6,322)	-	-	-	-	-	
-	-----	-----	-----	-----	-----	-----	-----

Net income (loss) from continuing operations before income taxes	15,287	(783)	(265)	1,358	(1,015)	3,322	
934							
Income taxes	-	-	(61)	-	-	-	
-	-----	-----	-----	-----	-----	-----	-----

Net income (loss) from continuing operations	15,287	(783)	(326)	1,358	(1,015)	3,322	
934							
Preferred share dividends	(3,802)	-	-	-	-	-	
-	-----	-----	-----	-----	-----	-----	-----

Net income (loss) from continuing operations available to Common Shareholders	\$ 11,485	\$ (783)	\$ (326)	\$ 1,358	\$ (1,015)	\$ 3,322	\$
934							

Earnings per share: Basic \$ 0.61

Earnings per share: Diluted \$ 0.60

Weighted average number
of shares: Basic 18,818
Diluted 19,213

	Preferred Offerings (H)	Pro Forma Adjustments	Pro Forma Consolidated
REVENUES:			
Rental revenue	\$ -	\$ -	\$ 98,720
Tenant recoveries and other revenue	-	(217) (I)	16,223
Service operation revenue	-	-	4,040
Total revenues	-	(217)	118,983
EXPENSES:			
Property operating General and administrative	-	-	33,484
Interest	(4,805)	3,792 (J)	4,862
Depreciation and Amortization	-	1,380 (K)	29,441
Service operation expenses	-	(217) (I)	19,739
Total expenses	(4,805)	4,955	4,037
Gain (loss) on sale of Properties	-	-	-
Equity in loss of unconsolidated subsidiary	-	310 (L)	-
Income (loss) before minority interests and income taxes	4,805	(4,862)	27,420
Minority interests			
Preferred Units	-	(48) (M)	(2,288)
Other partnerships	-	-	(77)
Common Units	-	934 (N)	(5,388)
Net income (loss) from continuing operations before income taxes	4,805	(3,976)	19,667
Income taxes	-	-	(61)
Net income (loss) from continuing operations	4,805	(3,976)	19,606
Preferred share dividends	(5,991)	-	(9,793)
Net income (loss) from continuing operations available to Common Shareholders	\$ (1,186)	\$ (3,976)	\$ 9,813

Earnings per share: Basic \$ 0.52

Earnings per share: Diluted \$ 0.51

Weighted average number
of shares: Basic 18,818
Diluted 20,410

</Table>

=====

See accompanying notes and management's assumptions to pro forma financial statements.

<Page>

CORPORATE OFFICE PROPERTIES TRUST
PRO FORMA CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2001
(UNAUDITED)
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

<Table>

<Caption>

	Historical	State Farm	19 Commerce	Airport	Gateway
63	Consolidated	Properties	Drive	Square	
Properties	(A)	(D)	(E)	Properties (F)	(G)
<S>	<C>	<C>	<C>	<C>	<C>
REVENUES:					
Rental revenue	\$ 51,579	\$ 611	\$ (779)	\$ 3,101	\$
1,584					
Tenant recoveries and other revenue	7,033	(50)	(4)	235	
196					
Service operation revenues	2,176	-	-	-	
-					

Total revenues	60,788	561	(783)	3,336	
1,780					

EXPENSES:					
Property operating	17,024	322	(204)	934	
253					
General and administrative	2,775	-	-	-	
-					
Interest	15,956	-	-	-	
-					
Depreciation and amortization	10,786	-	-	-	
-					
Service operation expenses	2,244	-	-	-	
-					

Total expenses	48,785	322	(204)	934	
253					

Gain (loss) on sale of properties	1,596	-	(1,596)	-	
-					
Equity in income of unconsolidated subsidiaries	36	-	-	-	
-					

Income (loss) before minority interests and income taxes	13,635	239	(2,175)	2,402	
1,527					
Minority interests					
Preferred Units	(1,144)	-	-	-	
-					
Other partnerships	(54)	-	-	-	
-					
Common Units	(3,372)	-	-	-	
-					

Income (loss) from continuing operations before income taxes	9,065	239	(2,175)	2,402	
1,527					
Income tax benefit	52	-	-	-	

-					
----	-----	-----	-----	-----	-----
Net income (loss) from continuing operations 1,527	9,117	239	(2,175)	2,402	
Preferred share dividends	(2,494)	-	-	-	
-	-----	-----	-----	-----	-----

Net income (loss) from continuing operations available to Common Shareholders 1,527	\$ 6,623	\$ 239	\$ (2,175)	\$ 2,402	\$
=====	=====	=====	=====	=====	
Earnings per share: Basic	\$ 0.33				
	=====				
Earnings per share: Diluted	\$ 0.32				
	=====				
Weighted average number of shares:					
Basic	20,034				
	=====				
Diluted	21,359				
	=====				
	Preferred Offerings (H)	Pro Forma Adjustments	Total		
REVENUES:					
Rental revenue	\$ -	\$ -	\$ 56,096		
Tenant recoveries and other revenue	-	-	7,410		
Service operation revenues	-	-	2,176		
	-----	-----	-----		
Total revenues	-	-	65,682		
	-----	-----	-----		
EXPENSES:					
Property operating	-	-	18,329		
General and administrative	-	-	2,775		
Interest	(1,381)	2,202 (J)	16,777		
Depreciation and amortization	-	612 (K)	11,398		
Service operation expenses	-	-	2,244		
	-----	-----	-----		
Total expenses	(1,381)	2,814	51,523		
	-----	-----	-----		
Gain (loss) on sale of properties	-	-	-		
Equity in income of unconsolidated subsidiaries	-	(133) (O)	(97)		
	-----	-----	-----		
Income (loss) before minority interests and income taxes	1,381	(2,947)	14,062		
Minority interests					
Preferred Units	-	-	(1,144)		
Other partnerships	-	-	(54)		
Common Units	-	576 (N)	(2,796)		
	-----	-----	-----		
Income (loss) from continuing operations before income taxes	1,381	(2,371)	10,068		
Income tax benefit	-	-	52		
	-----	-----	-----		
Net income (loss) from continuing operations	1,381	(2,371)	10,120		
Preferred share distributions	(2,064)	-	(4,558)		
	-----	-----	-----		
Net income (loss) from continuing operations available to Common Shareholders	\$ (683)	\$ (2,371)	\$ 5,562		
	=====	=====	=====		
Earnings per share: Basic			\$ 0.28		
			=====		
Earnings per share: Diluted			\$ 0.27		
			=====		

Weighted average number of shares:	
Basic	20,034
	=====
Diluted	21,518
	=====

</Table>

See accompanying notes and management's assumptions to pro forma financial statements.

F-6

<Page>

CORPORATE OFFICE PROPERTIES TRUST
NOTES AND MANAGEMENT'S ASSUMPTIONS TO
PRO FORMA CONDENSED CONSOLIDATING
FINANCIAL INFORMATION
(DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

1. BASIS OF PRESENTATION:

Corporate Office Properties Trust (the "Company") is a self-administered Maryland real estate investment trust. As of June 30, 2001, the Company's portfolio included 91 properties, including six owned through joint ventures.

These pro forma condensed consolidating financial statements should be read in conjunction with the historical financial statements and notes thereto of the Company, the Airport Square Properties and the Gateway 63 Properties. In management's opinion, all adjustments necessary to reflect the effects of the 2000 Transactions and the 2001 Transactions have been made. This pro forma condensed consolidating financial information is unaudited and is not necessarily indicative of what the Company's actual financial position would have been at June 30, 2001, nor does it purport to represent the future financial position and results of operations of the Company.

2. ADJUSTMENTS TO PRO FORMA CONDENSED CONSOLIDATING BALANCE SHEET:

- (A) Reflects the historical consolidated balance sheet of the Company as of June 30, 2001.
- (B) Reflects the acquisition of the Airport Square Properties from unrelated parties using: (i) \$24,077 in proceeds from two mortgage loans payable; (ii) \$13,200 in proceeds from our Revolving Credit Facility; (iii) \$3,965 in proceeds from the sale of 19 Commerce Drive; and (iv) \$508 in cash payments.
- (C) Reflects the acquisition of the Gateway 63 Properties from an unrelated party using: (i) a \$15,750 mortgage loan payable assumed; (ii) \$4,295 in loan proceeds from our Revolving Credit Facility; (iii) issuing 310,342 common units in our operating partnership valued at \$3,259; and (iv) \$531 in cash payments. This transaction also resulted in a \$412 increase to paid-in capital and a corresponding decrease to minority interests resulting from the change in ownership of our Operating Partnership.
- (D) Reflects the issuance of 1,000,000 Series F Preferred Shares expected to occur in September 2001 for net proceeds of \$23,747, all of which is expected to be used to pay down the Revolving Credit Facility.

3. ADJUSTMENTS TO PRO FORMA CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS:

- (A) Reflects the historical consolidated operations of the Company.

F-7

<Page>

- (B) The pro forma adjustments associated with the 2000 Transactions are set forth in the table below.

<Table>
<Caption>

	7240 Parkway Drive (i) <C>	Minot Retail (ii) <C>	Tred Avon (iii) <C>	3 Center Drive (iv) <C>	Total <C>
<S> Revenues					
Rental income	\$ 361	\$ (149)	\$ (600)	\$ (250)	\$ (638)
Tenant recoveries and other revenue	4	-	(145)	(91)	(232)
	-----	-----	-----	-----	-----
Total revenues	365	(149)	(745)	(341)	(870)
	-----	-----	-----	-----	-----
Expenses					
Property operating	116	(2)	(215)	(88)	(189)
General and administrative	-	(1)	(4)	-	(5)
Interest	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-
	-----	-----	-----	-----	-----
Total expenses	116	(3)	(219)	(88)	(194)
	-----	-----	-----	-----	-----
Gain (loss) on sale of properties	-	(57)	94	(144)	(107)
	-----	-----	-----	-----	-----
Income (loss) before minority interests and income taxes	\$ 249	\$ (203)	\$ (432)	\$ (397)	\$ (783)
	=====	=====	=====	=====	=====

</Table>

- (i) Reflects the effects of the historical operations of 7240 Parkway Drive prior to its acquisition on April 18, 2000.
- (ii) Reflects the effects of the historical operations of Minot Retail prior to its disposition on June 19, 2000.
- (iii) Reflects the effects of the historical operations of Tred Avon prior to its disposition on November 10, 2000.
- (iv) Reflects the effects of the historical operations of 3 Center Drive prior to its disposition on December 28, 2000.

- (C) Reflects the effects of the historical operations of COMI and its subsidiaries, net of relevant elimination entries, prior to our purchase of the interests that we did not previously own on January 1, 2001.
- (D) Reflects the effects of the historical operations of the State Farm Properties prior to their acquisition on May 14, 2001.
- (E) Reflects the effects of the historical operations of 19 Commerce Drive prior to its disposition on June 18, 2001.
- (F) Reflects the effects of the historical operations of the Airport Square Properties for the periods presented.
- (G) Reflects the effects of the historical operations of the Gateway 63 Properties for the periods presented.

F-8

<Page>

- (H) Reflects the effects of the issuance of the Series D Preferred Shares, Series E Preferred Shares and Series F Preferred Shares as if such issuances and the resulting repayments of debt occurred at the beginning of the respective reporting periods.

<Table>
<Caption>

	FOR THE YEAR ENDED DECEMBER 31, 2000 ----	FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2001 ----
<S>	<C>	<C>
INTEREST EXPENSE:		
Series D Preferred Share issuance - \$8,245 of proceeds used to pay down the Revolving Credit Facility, bearing interest on the outstanding balance at LIBOR plus 175 basis points, assuming a		

LIBOR rate of 6.4% per annum for 2000 and 5.34% per annum for the six months ended June 30, 2001.	\$ (672)	\$ (48)
Series E Preferred Share issuance - \$26,950 of the proceeds used to pay down the Revolving Credit Facility, bearing interest on the outstanding balance at LIBOR plus 175 basis points, assuming a LIBOR rate of 6.4% per annum for 2000 and 5.34% per annum for the six months ended June 30, 2001.	(2,199)	(498)
Series F Preferred Share issuance - \$23,747 of the proceeds used to pay down the Revolving Credit Facility, bearing interest on the outstanding balance at LIBOR plus 175 basis points, assuming a LIBOR rate of 6.4% per annum for 2000 and 5.34% per annum for the six months ended June 30, 2001.	(1,934)	(835)
	-----	-----
Total	\$ (4,805)	\$ (1,381)
	=====	=====

</Table>

F-9

<Page>

<Table>
<Caption>

<S>	<C>	<C>
PREFERRED SHARE DIVIDENDS:		
Series D Preferred Share issuance - 544,000 shares issued with an aggregate liquidation preference of \$13,600, paying dividends at a yearly rate of 4% of such liquidation preference.	\$ 544	\$ 36
Series E Preferred Share issuance- 1,150,000 shares issued with an aggregate liquidation preference of \$28,750, paying dividends at a yearly rate of 10.25% of such liquidation preference.	2,947	778
Series F Preferred Share issuance- 1,000,000 shares issued with an aggregate liquidation preference of \$25,000, paying dividends at a yearly rate of 10% of such liquidation preference.	2,500	1,250
	-----	-----
Total	\$ 5,991	\$ 2,064
	=====	=====

</Table>

- (I) Adjustment to reverse interest income recognized by the Company from COMI and the associated expense recognized by COMI due to COMI being a consolidated subsidiary effective January 1, 2001.
- (J) Pro forma adjustments are reflected below for additional interest expense resulting from acquisitions activity. Pro forma adjustments are also reflected below for decreases in historical interest expense resulting from property dispositions. Pro forma adjustments below associated with our Revolving Credit Facility, which bears interest at LIBOR plus 175 basis points, assumes a LIBOR rate of 6.4% per annum for the year ended December 31, 2000 and 5.34% per annum for the six months ended June 30, 2001.

<Table>
<Caption>

	FOR THE YEAR ENDED DECEMBER 31,	FOR THE SIX MONTH PERIOD ENDED JUNE 30,
ADJUSTMENT TO INTEREST EXPENSE, NET OF		
RELATED HISTORICAL AMOUNTS, AS A RESULT OF:	2000	2001
	----	----
<S>	<C>	<C>
Proceeds borrowed under the Revolving Credit Facility of \$7,285 in connection with the acquisition of 7240 Parkway Drive.	\$ 175	\$ -
Debt repaid in connection with the sale of Minot Retail in the amount of \$2,432, bearing interest at 8% per annum.	(93)	-

Debt repaid in connection with the sale of Tred Avon consisting of: (i) \$2,756 mortgage loan payable on the property with an interest rate of LIBOR plus 1.75% and (ii) \$2,000 under the Revolving Credit Facility.

(335) -

F-10

<Page>

Debt repaid under the Revolving Credit Facility in connection with the sale of 3 Center Drive in the amount of \$1,755.

(142) -

Proceeds borrowed under the Revolving Credit Facility of \$12,915 in connection with the acquisition of the State Farm Properties.

1,051 336

Debt repaid in connection with the sale of 19 Commerce Drive consisting of: (i) a \$7,000 mortgage loan payable on the property with an interest rate of LIBOR plus 1.75% and (ii) \$4,550 on the Revolving Credit Facility.

(382) (224)

Proceeds from debt in connection with the acquisition of the Airport Square Properties consisting of: (i) \$16,215 borrowed under a mortgage loan payable bearing interest at LIBOR plus 1.75 basis points; (ii) \$13,200 borrowed under the Revolving Credit Facility; and (iii) \$7,862 borrowed under a mortgage loan payable bearing interest at 7.18% per annum.

2,961 1,314

Proceeds from debt in connection with the acquisition of the Gateway 63 Properties consisting of: (i) \$15,750 mortgage loan payable assumed bearing interest at the Prime rate; and (ii) \$4,295 borrowed under the Revolving Credit Facility.

557	776
-----	-----
\$ 3,792	\$ 2,202
=====	=====

</Table>

(K) Pro forma depreciation expense adjustments are reflected on acquisitions based on a useful life of 40 years on the portion of the acquisition attributable to the building. Pro forma amortization expense adjustments are reflected assuming pro forma deferred financing fees are amortized over the life of the related loans. Pro forma depreciation and amortization expense adjustments on dispositions are reflected based on historical amounts.

<Table>
<Caption>

	ADJUSTMENT TO DEPRECIATION AND AMORTIZATION EXPENSE, NET OF RELATED HISTORICAL AMOUNTS, AS A RESULT OF:	FOR THE YEAR	FOR THE SIX
		ENDED DECEMBER 31, 2000	MONTH PERIOD ENDED JUNE 30, 2001
<S>	<C>	<C>	<C>
DEPRECIATION EXPENSE:			
7240 Parkway Drive		\$ 44	\$ -
Minot Retail		(31)	-
Tred Avon		(105)	-
3 Center Drive		(51)	-

F-11

<Page>

State Farm Properties	132	110
19 Commerce Drive	(158)	(109)
Airport Square Properties	905	453
Gateway 63 Properties	471	235
AMORTIZATION OF DEFERRED FINANCING FEES RELATED TO:		
Minot Retail	(1)	-

Tred Avon	(31)	-
19 Commerce Drive	-	(85)
Airport Square Properties	205	8
	-----	-----
	\$ 1,380	\$ 612
	=====	=====

</Table>

- (L) Adjustment to reverse income recorded for the Operating Partnership's investment in COMI under the equity method of accounting during 2000.
- (M) Adjustment for distributions on additional Preferred Units issued in connection with a 1999 property acquisition.
- (N) Adjustment for minority interests' share of pro forma adjustments made to the Operating Partnership.
- (O) Adjustment to reverse income recorded for our investment in certain of the Airport Square Properties under the equity method of accounting during 2001.

4. ESTIMATED TWELVE-MONTH PRO FORMA STATEMENT OF TAXABLE NET OPERATING INCOME AND OPERATING FUNDS AVAILABLE

The following unaudited statement is a pro forma estimate for a twelve-month period of taxable income and operating funds available for the Company. The unaudited pro forma statement is based on the Company's historical operating results for the year ended December 31, 2000 adjusted as if the following transactions had occurred on January 1, 2000: (i) the acquisition of 7240 Parkway Drive, (ii) the acquisition of the State Farm Properties, (iii) the acquisition of the Airport Properties as reported herein, and (iv) the acquisition of the Gateway 63 Properties as reported herein.

This estimated twelve-month pro forma statement of taxable net operating income and operating funds available is based upon the historical results of operations of the Company for the year ended December 31, 2000. This information should be read in conjunction with the proforma condensed balance sheet and the pro forma condensed statement of operations of the Company set forth elsewhere herein and the historical financial statements and notes thereto of the Company included in the Corporate Office Properties Trust Form 10-K for the year ended December 31, 2000, the Airport Square Properties Statement of Revenue and Certain Expenses and the Gateway 63 Properties Statement of Revenue and Certain Expenses included in their Form 8-K.

F-12

<Page>

<Table>

<Caption>

Estimate of Taxable Net Operating Income

<S>	<C>
Historical earnings from operations, exclusive of depreciation and amortization and Preferred Share dividends (1)	\$ 33,646
Historical earnings from operations, exclusive of depreciation and amortization (2)	
7240 Parkway Drive	46
State Farm Properties	192
Airport Square Properties	226
Gateway 63 Properties	236
Estimated tax basis depreciation and amortization (3)	
Historical tax basis depreciation and amortization	(16,671)
7240 Parkway Drive	(45)
State Farm Properties	(136)
Airport Square Properties	(929)
Gateway 63 Properties	(483)
Other historical tax adjustments	(3,365)

Pro Forma taxable operating income before dividends deduction	12,717
Dividends deduction (4)	(18,917)

Excess of dividends over pro forma taxable operating income	\$ (6,200)
	=====

Estimate of Pro Forma Operating Funds Available (5)

Pro Forma taxable operating income before dividends deduction	\$ 12,717
Add pro forma tax basis depreciation and amortization	18,264

Estimate of pro forma operating funds available	\$ 30,981
	=====

</Table>

(1) The historical earnings from operations represents the Company's net income from continuing operations as adjusted for depreciation and amortization for the year ended December 31, 2000 reflected in the historical financial statements.

(2) The historical earnings from operations represents the pro forma results of 7240 Parkway Drive, the State Farm Properties, the Airport Square Properties and the Gateway 63 Properties reported net of related interest and minority interest expense.

(3) The estimated tax basis depreciation reported is based upon the historic gross depreciation and amortization as reported in income tax returns filed by the Company and its consolidated subsidiaries. Adjustments are provided for 7240 Parkway Drive, the State Farm Properties, the Airport Square Properties and the Gateway 63 Properties based upon the original purchase price allocated to the buildings, depreciated on a straight-line basis over 39 year lives.

(4) The dividends deduction is based on the historical dividends reported for the year ended December 31, 2000.

(5) Operating funds available does not represent cash generated from operating activities in accordance with generally accepted accounting principles and is not necessarily indicative of cash available to fund cash needs.

F-13

REPORT OF INDEPENDENT ACCOUNTANTS

To Airport Square Properties

We have audited the accompanying statement of revenue and certain expenses of the Airport Square Properties (the "Properties") as described in Note 1 for the year ended December 31, 2000. This historical statement is the responsibility of the Properties' management; our responsibility is to express an opinion on this historical statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the historical statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the historical statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the historical statement. We believe that our audit provides a reasonable basis for our opinion.

The accompanying historical statement was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission (for inclusion on Form 8-K of Corporate Office Properties Trust as described in Note 2, and is not intended to be a complete presentation of the Properties' revenue and expenses.

In our opinion, the historical statement referred to above presents fairly, in all material respects, the revenue and certain expenses described in Note 2, of the Airport Square Properties for the year ended December 31, 2000, in conformity with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Baltimore, Maryland
September 4, 2001

F-14

<TABLE>	
<S>	
<C>	
Revenue	
Base rents	\$4,748,064
Tenant reimbursements	373,916

Total revenue	5,121,980

Certain expenses	
Property operating expenses	
Utilities	451,701
Property taxes	304,472
Cleaning	198,765
Management fees	139,962
Other operating expenses	178,496

Total property operating	1,273,396
Repairs and maintenance	526,731

Total certain expenses	1,800,127

Revenues in excess of certain expenses	\$3,321,853
	=====

</TABLE>

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

F-15

AIRPORT SQUARE PROPERTIES
STATEMENT OF REVENUE AND CERTAIN EXPENSES
FOR THE SIX MONTHS ENDED JUNE 30, 2001 (UNAUDITED)

<TABLE>	
<S>	
<C>	
Revenue	
Base rents	\$3,101,017
Tenant reimbursements	235,226

Total revenue	3,336,243

Certain expenses	
Property operating expenses	
Utilities	209,835
Property taxes	173,083
Cleaning	118,233
Management fees	78,616
Other operating expenses	111,058

Total property operating	690,825
Repairs and maintenance	243,828

Total certain expenses	934,653

Revenues in excess of certain expenses	\$2,401,590
	=====

</TABLE>

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

F-16

AIRPORT SQUARE PROPERTIES
NOTES TO FINANCIAL STATEMENTS

1. BUSINESS

The accompanying statement of revenue and certain expenses relates to the operations of Airport Square Properties (the "Properties"), consisting of the revenue and certain expenses of six buildings totaling 411,755 square feet located in Linthicum, Maryland.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying combined statement of revenue and certain expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission in contemplation of Corporate Office Properties Trust acquiring the Properties. The statement is not representative of the actual operations of the Properties for the period presented nor indicative of future operations as certain expenses, primarily depreciation, amortization, and interest expense, which may not be comparable to the expenses expected to be incurred by Corporate Office Properties Trust in future operations of the Properties, have been excluded.

REVENUE AND EXPENSE RECOGNITION

Revenue is recognized on a straight-line basis over the terms of the relate lease. Expenses are recognized in the period in which they are incurred.

USED OF ESTIMATES

The preparation of this historical statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

MAJOR TENANTS

During 2000, 56% of the Properties' total rental revenue was earned from 3 major tenants, each of which amounted to over 10% of total rental revenue. Rental revenue earned from these 3 tenants for the year ended December 31, 2000 was approximately \$1,420,000, \$730,000 and \$508,000, respectively.

F-17

AIRPORT SQUARE PROPERTIES NOTES TO FINANCIAL STATEMENTS

3. RENTALS

The Properties have entered into non-cancelable tenant leases, with expiration dates ranging from January 2000 to April 2011. Such leases provide that tenants will share in operating expenses and real estate taxes on a pro rata basis, as defined in the leases. Future minimum rentals as of December 31, 2000, to be received under these tenant leases are as follows:

<TABLE>	
<S>	
	<C>
2001	\$ 5,535,544
2002	5,305,256
2003	4,645,510
2004	4,595,415
2005	3,396,884
Thereafter	11,627,620

	\$35,106,229
	=====

</TABLE>

Amounts in this schedule of future minimum rentals includes \$622,500 of future rents associated with a tenant that declared bankruptcy subsequent to the year ended December 31, 2000.

4. UNAUDITED INTERIM STATEMENT

The statement of revenue and certain expenses for the six months ended June 30, 2001 is unaudited. As a result, this interim statement should be read in conjunction with the statement and notes included in the December 31, 2000 statement of revenue and certain expenses. The interim statement reflects all adjustments which we believe are necessary for the fair presentation of our statement of revenue and certain expenses for the interim period presented. These adjustments are of a normal recurring nature. The statement of revenue and certain expenses for such interim period is not necessarily indicative of the results for a full year.

F-18

To Gateway 63 Properties

We have audited the accompanying statement of revenue and certain expenses of the Gateway 63 Properties (the "Properties") as described in Note 1 for the year ended December 31, 2000. This historical statement is the responsibility of the Properties' management; our responsibility is to express an opinion on this historical statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the historical statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the historical statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the historical statement. We believe that our audit provides a reasonable basis for our opinion.

The accompanying historical statement was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission (for inclusion on Form 8-K of Corporate Office Properties Trust) as described in Note 2, and is not intended to be a complete presentation of the Properties' revenue and expenses.

In our opinion, the historical statement referred to above presents fairly, in all material respects, the revenue and certain expenses described in Note 2, of the Gateway 63 Properties for the year ended December 31, 2000, in conformity with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Baltimore, Maryland
September 4, 2001

F-19

GATEWAY 63 PROPERTIES
STATEMENT OF REVENUE AND CERTAIN EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2000

<TABLE>	
<S>	
Revenue	
Base rents	\$1,004,400
Tenant reimbursements	82,998
Miscellaneous income	--

Total revenue	1,087,398

Certain expenses	
Property operating expenses	
Property taxes	50,176
Management fees	24,808
Utilities	22,396
Other operating expenses	8,994

Total property operating	106,374
Repairs and maintenance	46,821

Total certain expenses	153,195

Revenue in excess of certain expenses	\$ 934,203
	=====
</TABLE>	

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

F-20

GATEWAY 63 PROPERTIES
STATEMENT OF REVENUE AND CERTAIN EXPENSES
FOR THE SIX MONTHS ENDED JUNE 30, 2001 (UNAUDITED)

<TABLE>	
<S>	
Revenue	<C>
Base rents	\$1,583,799
Tenant reimbursements	196,231
Miscellaneous income	60

Total revenue	1,780,090

Certain expenses	
Property operating expenses	
Property taxes	106,066
Management fees	39,715
Utilities	30,750
Other operating expenses	3,572

Total property operating	180,103
Repairs and maintenance	73,341

Total certain expenses	253,444

Revenue in excess of certain expenses	\$1,526,646
	=====
</TABLE>	

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

F-21

GATEWAY 63 PROPERTIES
NOTES TO FINANCIAL STATEMENTS

1. BUSINESS

The accompanying statement of revenue and certain expenses relates to the operations of Gateway 63 Properties (the "Properties"), consisting of the revenue and certain expenses of four buildings totaling 187,132 square feet located in Columbia, Maryland.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying combined statement of revenue and certain expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission in contemplation of Corporate Office Properties Trust acquiring the Properties. The statement is not representative of the actual operations of the Properties for the period presented nor indicative of future operations as certain expenses, primarily depreciation, amortization, and interest expense, which may not be comparable to the expenses expected to be incurred by Corporate Office Properties Trust in future operations of the Properties, have been excluded.

REVENUE AND EXPENSE RECOGNITION

Revenue is recognized on a straight-line basis over the terms of the relate lease. Expenses are recognized in the period in which they are incurred.

USED OF ESTIMATES

The preparation of this historical statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

MAJOR TENANTS

During 2000, 97% of the Properties' total rental revenue was earned from 2 major tenants, each of which amounted to over 10% of total rental revenue. Rental revenue earned from these 2 tenants for the year ended December 31, 2000 was approximately \$787,011 and \$183,478, respectively.

3. RENTALS

The Properties have entered into non-cancelable tenant leases, with expiration dates ranging from 2005 to 2011. Such leases provide that tenants will share in operating expenses and real estate taxes on a pro rata basis, as defined in the leases. Future minimum rentals as of December 31, 2000, to be received under these tenant leases are as follows:

<TABLE>	
<S>	<C>
2001	\$ 2,735,483
2002	3,030,145
2003	3,073,196
2004	3,153,316
2005	3,080,615
Thereafter	14,443,605

	\$29,516,360
	=====
</TABLE>	

F-22

GATEWAY 63 PROPERTIES
NOTES TO FINANCIAL STATEMENTS

4. UNAUDITED INTERIM STATEMENT

The statement of revenue and certain expenses for the six months ended June 30, 2001 is unaudited. As a result, this interim statement should be read in conjunction with the statement and notes included in the December 31, 2000 statement of revenue and certain expenses. The interim statement reflects all adjustments which we believe are necessary for the fair presentation of our statement of revenue and certain expenses for the interim period presented. These adjustments are of a normal recurring nature. The statement of revenue and certain expenses for such interim period is not necessarily indicative of the results for a full year.

F-23

PURCHASE AND SALE AGREEMENT

SELLER:

AETNA LIFE INSURANCE COMPANY
C/O UBS REALTY INVESTORS LLC
242 TRUMBULL STREET, HARTFORD CT 06103

PURCHASER:

COPT ACQUISITIONS, INC.
8815 CENTRE PARK DRIVE
COLUMBIA MD 21045

PROPERTY:

AIRPORT SQUARE
880, 891, 901, 920, 938 AND 940 ELKRIDGE LANDING ROAD
LINTHICUM, MARYLAND

FEBRUARY 28, 2001

INDEX

	Page
1. The Property.....	1
1.1. Description.....	1
1.2 "As-Is" Purchase.....	2
1.3 Agreement to Convey.....	3
2. Price and Payment.....	3
2.1 Purchase Price.....	3
2.2 Payment.....	3
2.3 Closing.....	4
2.4 Airport One Closing Condition.....	4
2.5 General Closing Condition.....	5
3. Inspections and Approvals.....	5
3.1 Inspections.....	5
3.2 Title and Survey.....	6
3.3 Contracts.....	7
3.4 Purchaser's Right to Terminate.....	7
3.5 Confidentiality.....	8
4. Prior to Closing.....	8
4.1 Insurance.....	8
4.2 Operation.....	8
4.3 New Contracts.....	8
4.4 New Leases.....	8
4.5 Certain Acknowledgments.....	9
4.6 Tenant Estoppel Certificates.....	9
5. Representations and Warranties.....	9
5.1 By Seller.....	9
5.2 By Purchaser.....	11
5.3 Mutual.....	12
6. Costs and Prorations.....	12
6.1 Purchaser's Costs.....	12
6.2 Seller's Costs.....	13
6.3 Prorations.....	13
6.4 Mutual Indemnity.....	15
7. Damage, Destruction or Condemnation.....	16
7.1 Material Event.....	16
7.2 Immaterial Event.....	16
7.3 Termination and Return of Deposit.....	16
8. Notices.....	16
9. Closing and Escrow.....	17
9.1 Escrow Instructions.....	17

9.2 Seller's Deliveries.....	17
9.3 Purchaser's Deliveries.....	18
9.4 Possession.....	18
9.5 Insurance.....	18
9.6 Utility Service and Deposits.....	19
9.7 Notice Letters.....	19
10. Default; Failure of Condition.....	19
10.1 Purchaser Default.....	19
10.2 Seller Default.....	19
10.3 Failure of Condition.....	19
11. Miscellaneous.....	20
11.1 Entire Agreement.....	20
11.2 Severability.....	20
11.3 Applicable Law.....	20
11.4 Assignability.....	20
11.5 Successors Bound.....	21
11.6 Breach.....	21
11.7 No Public Disclosure.....	21
11.8 Captions.....	21
11.9 Attorney's Fees.....	21
11.10 No Partnership.....	21
11.11 Time of Essence.....	21
11.12 Counterparts.....	22
11.13 Recordation.....	22
11.14 Proper Execution.....	22
11.15 Tax Protest.....	22
11.16 Best Knowledge; Received Written Notice.....	22
11.17 Survival and Limitation of Representations and Warranties.....	22
11.18 Time to Execute and Deliver.....	23
11.19 Limitation of Liability.....	23

ii

LIST OF EXHIBITS

Exhibit 1.1.1	Legal Description
Exhibit 1.1.3	Personal Property
Exhibit 1.1.6	Rent Roll
Exhibit 2.4	Form of Arbros Tenant Estoppel Certificate
Exhibit 3.1.1	Form of Access Agreement
Exhibit 3.3	Schedule of Contracts
Exhibit 4.4	Existing Leases for Which Purchaser is Responsible for Build-Out Costs and Commissions
Exhibit 5.1.7	Notices of Condemnation, Pending Lawsuits and Violations of Laws
Exhibit 5.1.11	Schedule of Leasing Commissions or Brokerage Commissions
Exhibit 5.1.12	Notices of Violations of Environmental Law
Exhibit 9.2.1	Form of Assignment of Membership Interests
Exhibit 9.2.4	Form of FIRPTA Affidavit
Exhibit 9.2.5	Form of Corporate Authorization
Exhibit 9.2.6	Form of Incumbency Affidavit
Exhibit 9.3	ERISA Certificate

iii

Term Sheet

Purchaser:	COPT ACQUISITIONS, INC.
Notice Address:	8815 CENTRE PARK DRIVE COLUMBIA, MARYLAND 21045 BALA CYNWOOD PA 19004-1126
	ATTENTION: JOHN GURLEY, ESQ. PHONE: (410) 992-7247 FAX: (410) 992-7534
Seller:	AETNA LIFE INSURANCE COMPANY
Notice Address:	C/O UBS REALTY INVESTORS LLC 242 TRUMBULL STREET HARTFORD CT 06103-1212
	ATTENTION: KEVIN M. CREAN PHONE: (860) 275-2376 FAX: (860) 275-2109
Property:	AIRPORT SQUARE

880, 891, 901, 920, 938 AND 940 ELKRIDGE LANDING ROAD
LINTHICUM, MARYLAND

Price: \$44,250,000

Approval Date: MARCH 14, 2001

Closing Date: MARCH 15, 2001 (SUBJECT TO THE AGREEMENT OF THE PARTIES
TO USE THEIR BEST EFFORTS TO CLOSE BY MARCH 2, 2001, AND
SUBJECT TO THE LATER CLOSING DATE FOR AIRPORT I, ALL AS
PROVIDED IN SECTION 2)

iv

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "AGREEMENT") dated as of the 28th day of February, 2001, is made by and between AETNA LIFE INSURANCE COMPANY, a Connecticut corporation with an office c/o UBS Realty Investors LLC, 242 Trumbull Street, Hartford, Connecticut 06103 ("SELLER") and COPT ACQUISITIONS, INC., a Delaware corporation ("PURCHASER"), with an office 8815 Centre Park Drive, Columbia, Maryland 21045.

R E C I T A L S :

Seller owns and/or controls the legal and beneficial interests in the property commonly known 880 Elkridge Landing Road ("AIRPORT I PROPERTY"), 920 Elkridge Landing Road ("AIRPORT III PROPERTY"), 938 and 940 Elkridge Landing Road ("AIRPORT VI AND VII PROPERTY"), 891 Elkridge Landing Road ("AIRPORT VIII PROPERTY"), and 901 Elkridge Landing Road ("AIRPORT IX PROPERTY"), and in each case certain related personal and intangible property. Seller desires to sell, and Purchaser desires to purchase, the entire membership interests (individually, an "INTEREST", and collectively, the "INTERESTS") in each of the separate limited liability companies (individually, an "LLC", and collectively, the "LLCS") owning the fee simple title to each of such properties as of the date of sale.

NOW, THEREFORE, in consideration of the foregoing, of the covenants, promises and undertakings set forth herein, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller and Purchaser agree as follows:

1. THE PROPERTY.

1.1. DESCRIPTION. Subject to the terms and conditions of this Agreement, and for the consideration herein set forth, Seller agrees to sell and transfer, and Purchaser agrees to purchase and acquire, the Interests, and thereby to acquire all of Seller's right, title, and interest in and to the following (collectively, "PROPERTY"):

1.1.1. Certain land ("LAND") more specifically described in EXHIBIT 1.1.1 attached hereto;

1.1.2. The buildings, parking areas, improvements, and fixtures now situated on the Land (the "IMPROVEMENTS");

1.1.3. All furniture, personal property, machinery, apparatus, and equipment currently used in the operation, repair and maintenance of the Land and Improvements and situated thereon (collectively, the "PERSONAL PROPERTY"), generally described on EXHIBIT 1.1.3 attached hereto. The Personal Property is subject to depletions, replacements and additions in the ordinary course of business and subject to contractual and legal transfer and use restrictions;

1.1.4. All easements, hereditaments, and appurtenances belonging to or inuring to the benefit of the LLCs and pertaining to the Land, if any;

1

1.1.5. Any street or road abutting the Land to the center lines thereof;

1.1.6. All leases, licenses, or other rights of occupancy or grants or claims of right, title or interest to possession of any portion of the Property listed on the rent roll attached hereto as Exhibit 1.1.6 (the "RENT ROLL"), and any new leases entered into pursuant to Section 4.4, which as of the Closing (as hereinafter defined) affect all or any portion of the Land or Improvements (collectively the "LEASES") and any security deposits actually held directly or indirectly by any of the LLCs with respect thereto as of the Closing (as hereinafter defined) with respect to any such Leases;

1.1.7. Subject to Section 3.3, all contracts and agreements relating

to the operation, repair or maintenance of the Land, Improvements or Personal Property the terms of which extend beyond midnight of the day preceding the Date of Closing (as hereinafter defined);

1.1.8. The name "Airport Square" but only as it relates to the Property;

1.1.9. Assignable warranties and guaranties issued in connection with the Improvements or Personal Property; and

1.1.10. All transferable consents, authorizations, variances or waivers, licenses, permits and approvals from any governmental or quasi-governmental agency, department, board, commission, bureau or other entity or instrumentality solely in respect of the Land, Improvements or Personal Property (collectively, "APPROVALS").

1.2. "AS-IS" PURCHASE. Except as otherwise expressly provided in this Agreement, the Interests, and indirectly thereby the Property, are being sold in an "AS IS" condition and "WITH ALL FAULTS" as of the date of this Agreement and as of the Closing. Except as expressly set forth in this Agreement, no representations or warranties have been made or are made and no responsibility has been or is assumed by Seller or by any partner, officer, person, firm, agent or representative acting or purporting to act on behalf of Seller as to the Interests, or the assets or liabilities of the LLCs, or the condition or repair of the Property or the value, expense of operation, or income potential thereof or as to any other fact or condition which has or might affect the Property or the condition, repair, value, expense of operation or income potential of the Property or any portion thereof. The parties agree that all understandings and agreements heretofore made between them or their respective agents or representatives are merged in this Agreement and the Exhibits hereto annexed, which alone fully and completely express their agreement, and that this Agreement will only be consummated by Purchaser after full investigation, and entered into with the parties satisfied with the opportunity afforded for investigation, neither party relying upon any statement or representation by the other unless such statement or representation is specifically embodied in this Agreement or the Exhibits annexed hereto. Except as otherwise expressly provided in this Agreement, Seller makes no representations or warranties as to whether the Property contains asbestos or harmful or toxic substances or pertaining to the extent, location or nature of same. Further, to the extent that Seller has provided or hereafter may provide to Purchaser information from any inspection, engineering or environmental reports concerning asbestos or harmful or toxic substances, Seller makes no representations or warranties with respect to the accuracy or completeness, methodology of preparation or otherwise concerning the contents of such reports except as

2

expressly provided in this Agreement. Purchaser acknowledges that Seller has requested Purchaser to inspect fully the Property and investigate all matters relevant thereto, and to the Interests and the LLCs, and to rely solely upon the results of Purchaser's own inspections and investigations or other information obtained or otherwise available to Purchaser, rather than any information that may have been provided by Seller to Purchaser. Purchaser waives and releases Seller from any present or future claims arising from or relating to the presence or alleged presence of asbestos or harmful or toxic substances in, on, under or about the Property including, without limitation, any claims under or on account of (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as the same may have been or may be amended from time to time, and similar state statutes, and any regulations promulgated thereunder, (ii) any other federal, state or local law, ordinance, rule or regulation, now or hereafter in effect, that deals with or otherwise in any manner relates to, environmental matters of any kind, or (iii) this Agreement or the common law, provided, however, that if any third party unaffiliated with Purchaser (including a governmental entity, but excluding any remote transferees of Purchaser) shall file suit against Purchaser asserting an Environmental Claim which is alleged to have arisen prior to the Date of Closing (hereinafter defined), the foregoing waiver and release shall not preclude Purchaser from joining or otherwise naming Seller as a party defendant in such action, but provided further that in no event shall Purchaser assert on behalf of itself or any affiliate any Environmental Claim against Seller in such an action or otherwise. The terms and provisions of this paragraph shall survive Closing or any termination of this Agreement.

1.3. AGREEMENT TO CONVEY. Seller agrees to assign and convey, and Purchaser agrees to accept, the Interests by an Assignment of Membership Interests without representation or warranty except as expressly provided herein.

2. PRICE AND PAYMENT.

2.1. PURCHASE PRICE. The purchase price for the Interests the LLCs owning the Airport III Property, the Airport VI and VII Property, the Airport VIII Property and the Airport IX Property (such LLCs, the "MAIN LLCs", such properties, the "MAIN PROPERTIES", and such price, the "FIRST PURCHASE PRICE") is Thirty-Two Million Nine Hundred Fifty Thousand Dollars (\$32,950,000). The

purchase price for the Interest in the LLC owning the Airport I Property (such LLC, the "AIRPORT I LLC", and such price, the "AIRPORT I PURCHASE PRICE") is Eleven Million Three Hundred Thousand Dollars (\$11,300,000).

2.2. PAYMENT. Payment of the Purchase Price is to be made in cash as follows:

2.2.1 (a) Purchaser has made an earnest money deposit of Six Hundred Sixty-Three Thousand Seven Hundred Fifty Dollars (\$663,750) ("DEPOSIT") prior to or contemporaneously with the execution of this Agreement. Four Hundred Ninety-Four Thousand Two Hundred Fifty Dollars (\$494,250) of the Deposit ("MAIN DEPOSIT") is on account of the First Purchase Price, and the balance of One Hundred Sixty-Nine Thousand Five Hundred Dollars (\$169,500) of the Deposit ("AIRPORT I DEPOSIT") is on account of the Airport I Purchase Price.

3

(b) The Deposit, as installments of same are paid, will be placed and held in escrow by Kroll McNamara & Evans, LLP ("ESCROW AGENT") in an interest-bearing account at a mutually acceptable banking institution. Any interest earned on the Deposit shall be considered as part of the Deposit. Except as otherwise provided in this Agreement, the Main Deposit will be applied to the First Purchase Price at the First Closing (defined below), and the Airport I Deposit will be applied to the Airport I Purchase Price at the Airport I Closing (defined below).

2.2.2. At the First Closing, the Purchaser shall pay Seller the First Purchase Price, inclusive of the Main Deposit and subject to adjustments as provided herein, to a bank account designated by Seller via wire transfer in immediately available funds. At the Airport I Closing, the Purchaser shall pay Seller the Airport I Purchase Price, inclusive of the Airport I Deposit and subject to adjustments as provided herein, to a bank account designated by Seller via wire transfer in immediately available funds.

2.3. CLOSING. Payment of the First Purchase Price and the closing hereunder of the sale of the entire Interest in each of the Main LLCs ("FIRST CLOSING") will take place pursuant to an escrow closing on or before March 15, 2001 (provided that Purchaser and Seller agree to use their best efforts to cause the First Closing to occur on or prior to March 2, 2001), at the offices of Anchor Title Company, Hawthorne Executive Center, 10715 Charter Drive, Suite 100, Columbia, Maryland 21044 (the "TITLE COMPANY") at 10:00 a.m. local time or at such other time and place as may be agreed upon in writing by Seller and Purchaser (the aforesaid date, or such other agreed date, being referred to in this Agreement as the "DATE OF FIRST CLOSING"). Payment of the Airport I Purchase Price and the closing hereunder of the sale of the entire Interest in the Airport I LLC ("AIRPORT I CLOSING", and such Interest, the "AIRPORT I INTEREST") will take place pursuant to an escrow closing at the offices of the Title Company at 10:00 a.m. local time on the fifteenth (15th) day following the satisfaction of the Airport I Closing Condition (defined below) or at such other time and place as may be agreed upon in writing by Seller and Purchaser (such date, or such other agreed date, being referred to in this Agreement as the "DATE OF AIRPORT I CLOSING").

2.4 AIRPORT ONE CLOSING CONDITION. It shall be a condition to the Airport I Closing (the "AIRPORT I CLOSING CONDITION") that ARBROS Communications, Inc. (i) shall have taken possession of, and be in operation in, the premises in the Airport I Property which is leased to it and its parent under their Lease Agreement with Airport 1 dated October 16, 2000 (the "ARBROS LEASE"), and (ii) shall have delivered to Purchaser a tenant estoppel certificate satisfactory to Purchaser in all respects and in its reasonable discretion, substantially in the form of EXHIBIT 2.4 attached hereto, and specifically stating, howsoever phrased, that the landlord under the lease has performed the obligations to have been performed by it to date, including its construction obligations, and that the premises are satisfactory to tenant in accordance with the terms of the Arbros Lease. Seller agrees that it shall complete, or cause Airport I LLC to complete, the Landlord's Work, and pay, or cause Airport I LLC to pay, the allowances required to be paid by the landlord, in accordance with the terms of Exhibit B of the Arbros Lease, and pay, or cause Airport I LLC to pay, any leasing commission payable on account of the Arbros Lease. Seller further agrees not cause or suffer the Airport I LLC to fail to perform its obligations under the Arbros Lease so as to cause the failure of the Airport I Closing Condition; provided, however, that Seller shall not be in default hereunder provided the Airport I LLC, as landlord, performs in a good faith and commercially reasonable manner. In the event that the

4

Airport I Closing Condition has not been satisfied on or before July 15, 2001, Purchaser shall have the right, by written notice (the "AIRPORT I TERMINATION NOTICE") to Seller given on or before July 27, 2001, to terminate its obligation to purchase the Airport I Interest and in such event the Airport I Deposit shall

be returned to Purchaser. If Purchaser fails to give an Airport I Termination Notice on or before July 27, 2001, the Airport I Closing shall occur on July 31, 2001, and Seller shall have no obligation to Purchaser for any matter set forth in any Arbros estoppel certificate or otherwise relating to the Arbros Lease.

2.5 GENERAL CLOSING CONDITION. It shall be a condition, for the benefit of Purchaser, (i) to the First Closing that the Main LLCs shall own good and marketable fee simple absolute title to the Main Properties (each of such LLCs owning its respective portion thereof); and (ii) to the Airport I Closing that Airport I LLC shall own good and marketable fee simple absolute title to the Airport I Property.

3. INSPECTIONS AND APPROVALS.

3.1. INSPECTIONS.

3.1.1. Prior to execution of this Agreement, Purchaser received or had access to the items and materials which Purchaser desired to receive and review in connection with its due diligence investigations of the Property, and was provided or afforded access to all such items and materials in the possession or control of the property manager. Purchaser received satisfactory assurances from the Department of Planning and Code Enforcement, Anne Arundel County, Maryland, of recorded building code violations with respect to the Property, and of the zoning applicable to the Property.

3.1.2. Purchaser acknowledges and agrees that it has completed its due diligence, that it has determined on such basis to proceed to purchase the Property (subject, with respect to the Airport I Property, to the Airport I Closing Condition), and that there is no further due diligence period or condition other than, with respect to the Airport I Property, the Airport I Closing Condition. Nonetheless, Seller agrees to allow Purchaser or Purchaser's agents or representatives reasonable further access to the Property (during business hours) for purposes of further inspection of the Property and review of the Leases, expenses and other matters that Purchaser desires. Purchaser shall not conduct or allow any physically intrusive testing of, on or under the Property without first obtaining Seller's written consent, which consent shall not unreasonably be withheld, as to the timing and scope of work to be performed and, upon request of Seller, entering into an Access Agreement in the form attached hereto as Exhibit 3.1.1. Purchaser's breach of the foregoing prohibition shall be a material breach.

3.1.3. Purchaser agrees that, in making any non-intrusive physical or environmental inspections of the Property, Purchaser or Purchaser's agents have carried and will carry not less than One Million Dollars (\$1,000,000) comprehensive general liability insurance with contractual liability endorsement which insures Purchaser's indemnity obligations hereunder, and, upon request of Seller, will provide Seller with written evidence of same, will not interfere with the activity of tenants or any persons occupying or providing service at the Property, will not reveal to any third party other than the Purchaser Parties (as defined in Section 3.5) and persons not approved by Seller

5

the results of its inspections, and will restore promptly any physical damage caused by the inspections. Purchaser shall give Seller reasonable prior notice of its intention to conduct any further inspections, and Seller reserves the right to have a representative present. Purchaser agrees to provide Seller with a copy of any inspection report upon Seller's written request, which agreement shall survive Closing. Purchaser agrees (which agreement shall survive Closing or termination of this Agreement) to indemnify, defend, and hold Seller free and harmless from any loss, injury, damage, claim, lien, cost or expense, including reasonable attorney's fees and costs, arising out of a breach of the foregoing agreements by Purchaser in connection with any previous or further inspection of the Property, or otherwise from the exercise by Purchaser or its agents or representatives of the right of access under this Section 3.1, including any access previously afforded (collectively, "PURCHASER'S INDEMNITY OBLIGATIONS"). All inspections were and shall be at Purchaser's expense.

3.1.4. Except as expressly provided in this Agreement, Seller makes no representations or warranties as to the truth, accuracy or completeness of any materials, data or other information supplied to Purchaser in connection with Purchaser's inspection of the Property (e.g., that such materials are complete, accurate or the final version thereof, or that all such materials are in Seller's possession). It is the parties' express understanding and agreement that such materials were and are provided only for Purchaser's convenience in having made its own examination and determination to purchase the Interests, and, in doing so, Purchaser has relied and shall rely exclusively on its own independent investigation and evaluation of every aspect of the LLCs and the Property and not on any

materials supplied by Seller. Purchaser expressly disclaims reliance or any intent to rely on any such materials provided to it by Seller in connection with its inspection and agrees that it has relied and shall rely solely on its own independently developed or verified information.

3.2. TITLE AND SURVEY.

3.2.1. Purchaser has, at its cost, obtained an as-built ALTA/ACSM survey for the Land and Improvements or update of Seller's existing as-built survey in accordance with ALTA/ACSM Minimum Standard Detail Requirements for Land Title Surveys jointly established and adopted by ALTA and ACSM in 1999, including those Table A requirements as requested of the surveyor by Purchaser (the "SURVEY").

3.2.2. Purchaser, at its cost, has ordered and received one or more preliminary title reports and commitments for the Property issued by Chicago Title Insurance Company (the "UNDERWRITING TITLE COMPANY"), together with copies of all instruments and documents referred to therein (the preliminary title report together with such other instruments are herein collectively referred to as the "PTR").

3.2.3. Purchaser shall approve or disapprove in writing (any such written disapproval, a "TITLE OBJECTION") any title or survey matter on or before the Approval Date (defined in Section 3.4 below), subject to Purchaser's right to order continuation searches up to and including the Closing Date. The determination as to whether or not title or matters shown by a survey are acceptable shall be in Purchaser's sole and absolute

6

discretion. Purchaser's failure to timely disapprove title or matters shown by a survey shall be deemed Purchaser's approval thereof.

3.2.4. If Purchaser disapproves a title or survey matter within the time period set forth in Section 3.2.3 hereof, Seller shall have the right but not (except as expressly provided in the following sentence) the obligation, prior to the Approval Date, to agree in writing (such a writing, a "TITLE RESPONSE") to remove, correct or otherwise cure any disapproved items prior to the Closing, at Seller's sole cost and expense, and, in such event, Seller shall cause the same to be accomplished prior to the date of Closing. Notwithstanding the preceding sentence, Seller shall in all events cause any mortgages, mechanics' liens, or judgment liens of a definite or ascertainable amount which can be removed by the payment of money to be removed at or prior to Closing, except for those liens, easements and encumbrances appearing on the PTR which Purchaser fails expressly to disapprove. Any matter which exists (whether or not shown on the PTR or Survey, the accuracy of which, as between Seller and Purchaser, shall be Purchaser's responsibility and risk) and which Purchaser does not expressly disapprove shall be deemed a "PERMITTED ENCUMBRANCE". If Seller does not agree in a Title Response to remove such disapproved items (other than the matters which Seller must remove in accordance with the preceding sentence), Purchaser's sole right shall be to terminate this Agreement at the time and in the manner provided in Section 3.4 below, and if Purchaser fails timely to give a Termination Notice as provided therein, Purchaser shall be deemed to have waived Purchaser's objection to the disapproved matters.

3.2.5 Any matter which is not a Permitted Encumbrance and of which Purchaser, through a title update or otherwise becomes aware of prior to Closing shall be governed by Section 10.3 hereof.

3.2.6 Seller agrees to pay any and all applicable charges, fees and assessments due under any reciprocal easement agreement or covenant affecting all or any portion of the Property which is due for the period prior to Closing, and that any such charge, fee and assessment relating to a period in which the Date of Closing occurs shall be prorated as provided in Section 6.3.

3.3. CONTRACTS. On or before the Approval Date, Purchaser shall notify Seller in writing if Purchaser elects to assume at Closing any of the service, maintenance, supply or other contracts relating to the operation of the Property which are identified on EXHIBIT 3.3 attached hereto. If Purchaser does not exercise its right to terminate this Agreement on or before the Approval Date, Seller shall give notice of termination of the contract(s) which Purchaser does not elect to assume. Seller shall be responsible for terminating at Seller's expense the duties of its leasing agent, and any on-site duties of its management company.

3.4. PURCHASER'S RIGHT TO TERMINATE. If Purchaser issues a Title Objection and Purchaser and Seller fail to enter into a Title Response, Purchaser shall have the right by giving Seller written notice ("TERMINATION NOTICE") on or before March 14, 2001 ("APPROVAL DATE") to terminate its obligation to purchase the Interests and in such event the deposit shall be returned to Purchaser. If the Termination Notice is timely given, Seller shall direct the Escrow Agent

promptly to return the Deposit to Purchaser, and neither party shall have any further liability hereunder except for Purchaser's Indemnity Obligations set forth in Section 3.1.2 hereof.

7

3.5. Confidentiality. Unless Seller specifically and expressly otherwise agrees in writing, Purchaser agrees that all information regarding the Interests, the LLCs and the Property of whatsoever nature made available to it by Seller or Seller's agents or representatives ("PROPRIETARY INFORMATION") is confidential and shall not be disclosed to any other person except those assisting Purchaser with the transaction, or Purchaser's lender, if any (collectively, the "PURCHASER PARTIES") and then only upon Purchaser making such person aware of the confidentiality restriction and procuring such person's agreement to be bound thereby. In the event the purchase and sale contemplated hereby fails to close for any reason whatsoever, Purchaser agrees to return to Seller, or cause to be returned to Seller all Proprietary Information. Further, Purchaser agrees not to use or allow to be used any Proprietary Information for any purpose other than to determine whether to proceed with the contemplated purchase, or if same is consummated, in connection with the operation of the Property post-Closing. Notwithstanding any other term of this Agreement, the provisions of this Section 3.5 shall survive Closing and any termination of this Agreement.

4. PRIOR TO CLOSING.

Until the First Closing with respect to the Main Properties, and until the Airport I Closing with respect to the Airport I Property, Seller shall cause each of the Main LLCs or the Airport I LLC, as the case may be, itself or through its property management company, to:

4.1. INSURANCE. Keep the Property insured against fire and other hazards covered by extended coverage endorsement and comprehensive public liability insurance against claims for bodily injury, death and property damage occurring in, on or about the Property.

4.2. OPERATION. Operate and maintain the Property in a businesslike manner and substantially in accordance with each owner's past practices with respect to the Property, and make any and all repairs and replacements reasonably required so that at Closing (hereinafter defined) the Property is in its present condition, normal wear and tear excepted, provided that in the event of any loss or damage to the Property as described in Section 7, Seller shall have an obligation to Purchaser to cause the repair the Property only if Seller so elects and then shall be obligated only to the extent of available insurance proceeds.

4.3. NEW CONTRACTS. Enter into only those third party contracts which are necessary to carry out its obligations under Section 4.2 and which shall be cancelable on thirty (30) days written notice. Prior to the execution of any such contract, Seller shall promptly provide written notice thereof to Purchaser and unless Purchaser, within seven (7) days thereafter, notifies Seller in writing of its intention to assume such contract, it shall be treated as a contract disapproved by Purchaser under Section 3.3 hereof.

4.4. NEW LEASES. Continue its present rental program and efforts at the Property to rent vacant space, provided that Seller will not approve the execution of any new leases or tenant improvement contracts or amendment, termination or acceptance of the surrender of any existing tenancies or approve any subleases without the prior consent of Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed, except that the Seller is authorized to accept the termination of leases at the end of their existing terms. Failure of Purchaser to consent or expressly withhold its consent stating with specificity the basis of its objection within five (5) business days after written request for such consent shall be deemed to

8

constitute consent. In the event that any leases recently entered into and not considered by Purchaser in determining the price to be paid for the Property are identified on EXHIBIT 4.4 hereto, or that any new lease is executed after the date of this Agreement with Purchaser's approval, and in either event such lease requires the construction of tenant fixtures or improvements or the payment of leasing or brokerage commission(s) at the expense of the landlord, Purchaser agrees to assume the obligation to pay and/or at Closing to reimburse Seller for the paid portion of Purchaser's share of the cost of such improvements and leasing or brokerage commission(s) unless Seller and Purchaser expressly agree in writing that Seller shall be responsible for any such costs. The determination of Seller's and Purchaser's share of such costs shall be based upon the respective portions of the fixed or base rents and additional rents payable during the applicable term of any such Lease which shall be attributable to the time periods before and after Closing (for example, the applicable term of a new Lease would be the initial term, while the applicable term of a lease renewal would be the exercised renewal term). The provisions of this section with respect to payment of costs shall survive Closing.

4.5. CERTAIN ACKNOWLEDGMENTS. Each of Purchaser and Seller shall pay one-half (1/2) of any recordation or transfer tax, however identified or designated, now or hereafter owing in connection with the consummation of the transactions described herein, including any such taxes asserted against Seller or any affiliate of Seller in connection with any transfer or recording made prior to the Closing in order to permit Purchaser to purchase the fee simple interest in each of the Airport I Property, Airport III Property, Airport VI and VII Property, Airport VIII Property and Airport IX Property in a separate LLC. Seller shall provide to Purchaser copies of any documents to be recorded in consummating the transactions described herein prior to the date of recordation thereof, and the parties shall consult with one another regarding such documents. The parties shall also consult with one another and cooperate in the determination and payment of any such taxes.

4.6 TENANT ESTOPPEL CERTIFICATES. Subject to satisfaction of the Airport I Closing Condition, Purchaser acknowledges that it and its lender have received such tenant estoppels and other agreements and assurances from tenants as it requires, and there is no condition other than the Airport I Closing Condition relating to tenant estoppels or such other agreements or assurances.

5. REPRESENTATIONS AND WARRANTIES.

5.1. BY SELLER. Seller represents and warrants to Purchaser that as of the date hereof:

5.1.1. Each of the Main LLCs is, or shall be prior to the Date of First Closing, and the Airport I LLC is, or shall be prior to the Date of Airport I Closing, duly organized, validly existing and in good standing under the laws of the State of Delaware, and authorized to do business in the State of Maryland.

5.1.2. Seller is duly organized, validly existing and in good standing under the laws of the State of Connecticut, has duly authorized the execution and performance of this Agreement, and such execution and performance will not violate any material term of its certificate of incorporation or by-laws. This Agreement is a valid and

9

legally binding obligation of Seller and is enforceable against Seller in accordance with its terms.

5.1.3 Subject to Section 11.20, Seller is the owner of each of the Interests free of any encumbrances.

5.1.4 A true and complete copy of the Articles of Organization and Operating Agreement of each LLC, along with all amendments thereto and modifications thereof, has been or promptly following execution of this Agreement will be delivered to Purchaser, and the same are or will be prior the Date of First Closing in full force and effect.

5.1.5 Each LLC has or will by the date of the applicable Closing have the necessary internal authority to carry on its business as it is then being conducted and to own, maintain, lease and operate its portion of the Property. No LLC has engaged in any business other than the ownership, maintenance, leasing and operation of the Property. No LLC has any direct or indirect ownership interest in any other real or personal property, firm, corporation, joint venture, partnership, business entity or other enterprise and neither owns, leases nor has any tangible property other than the Property

5.1.6 The LLCs have no employees.

5.1.7 Neither Seller, for itself and as sole member of each of the LLCs, nor the LLCs (a) have received notice (by notice specific to Seller, the LLC or the Property, as opposed to in newspapers or other general notice) of any pending condemnation or eminent domain proceedings with regard to any part of the Property, and to Seller's actual knowledge, no such proceedings are proposed, and/or (b) have received notice (by notice specific to Seller, the LLC, or the Property, as opposed to in newspapers or other general notice) of any pending claims, lawsuits or proceedings, and to the Seller's actual knowledge, there are no claims, lawsuits or proceedings pending or threatened against or relating to the Property, to Seller, or to the LLCs in connection with the Property, the ownership of the Property by the LLCs, or the Interest of Seller in and to the LLCs, and/or (c) have received any uncured notice of any violation of any applicable requirement of Federal, State or local law, rule or ordinance, or any applicable requirements of governmental bodies or agencies having jurisdiction over the Property in connection with the Property and the operation and use of the Property, in each instance except as set forth on Exhibit 5.1.7.

5.1.8 To Seller's knowledge, each LLC has paid or shall pay all Taxes (as defined herein) due and payable and required to be paid by it to any governing authority, and has timely filed all requisite returns or other reportings in connection with such Taxes to each applicable governmental authority. "Taxes" shall mean any and all taxes (including, without limitation, income, receipts, franchise, ad valorem or excise taxes, transfer or gains taxes or fees, use taxes, withholding, payroll or minimum taxes (other than any real or personal property taxes) imposed on, or otherwise payable by, or for which responsibility for payment, withholding or collection lies with the LLC, by any governmental authority, federal, state or other.

10

5.1.9 The rent roll attached as Exhibit 1.1.6 is true and correct as of its date.

5.1.10 Seller has not entered into any currently effective or prospectively effective contract in connection with the maintenance, repair or operation of the Property or Improvements other than as set forth on EXHIBIT 3.3.

5.1.11 Except with respect to the GSA Leasing Commission (as described and defined in Section 6 below), no brokerage, leasing commission or other compensation is now, or will at Closing, or thereafter be due or payable to any person, firm, corporation or other entity with respect to or on account of any of the Leases or extensions or renewals thereof or premises expansions thereunder other than as listed specifically on EXHIBIT 5.1.11 attached hereto.

5.1.12 Except as set forth on EXHIBIT 5.1.12 attached hereto, or as set forth in any environmental site assessment or other report delivered to or made available to Purchaser, Seller has no actual knowledge that the Property or any portion thereof is in violation of any environmental law.

5.1.13 Other than as set forth in this Agreement, there are no currently or prospectively effective agreements, options, rights of first refusal to purchase, right of first offer to purchase, or conditional sales agreement regarding to purchase and sale of the Property.

5.1.14 The documents delivered to Purchaser by Seller, to Seller's actual knowledge, are true copies of documents used and relied upon by Seller in connection with its ownership of and the operation of the Property.

5.2. BY PURCHASER. Purchaser represents and warrants to Seller that:

5.2.1. Purchaser is a corporation duly organized, validly existing and in good standing under the laws of Delaware, is authorized to do business in the State of Maryland, has duly authorized the execution and performance of this Agreement, and such execution and performance will not violate any material term of any of its constitutive documents.

5.2.2. This Agreement is the valid and legally binding obligation of Purchaser, and in the event of an assignment pursuant to Section 11.4 below, will be the valid and legally binding obligation of the assignee, enforceable against Purchaser and any such assignee in accordance with its terms.

5.2.3. No petition in bankruptcy (voluntary or otherwise), assignment for the benefit of creditors, or petition seeking reorganization or arrangement or other action under Federal or State bankruptcy laws is pending against or contemplated by Purchaser.

5.2.4. Purchaser has inspected the Property fully and completely at its expense and has ascertained to its satisfaction the extent to which the Property complies

11

with applicable zoning, building, environmental, health and safety and all other laws, codes and regulations.

5.2.5. Purchaser has reviewed the Leases, contracts, expenses and other matters relating to the Property and, based upon its own investigations, inspections, tests and studies, has determined to purchase the Interests and thereby to assume the leases, contracts and other obligations with respect to the Property.

5.2.6. Unless otherwise disclosed to Seller in writing, neither Purchaser nor any affiliate of or principal in Purchaser is other than a citizen of, or partnership, corporation or other form of legal person domesticated in the United States of America.

5.2.7. Purchaser will not use the assets of an employee benefit plan as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and covered under Title I, Part 4 of ERISA or Section 4975 of the Internal Revenue Code of 1986, as amended, in the performance or discharge of its obligations hereunder, including the acquisition of the Property. Purchaser shall not assign its interest hereunder to any person or entity which does not expressly make this covenant and warranty for the benefit of Seller.

5.3. MUTUAL. Each of Seller and Purchaser represents to the other that it has had no dealings, negotiations, or consultations with any broker, representative, employee, agent or other intermediary except Colliers Pickard in connection with the Agreement or the sale of the Interests. Seller and Purchaser agree that each will indemnify, defend and hold the other free and harmless from the claims of any other broker(s), representative(s), employee(s), agent(s) or other intermediary(ies) claiming to have represented Seller or Purchaser, respectively, or otherwise to be entitled to compensation in connection with this Agreement or in connection with the sale of the Interests.

6. COSTS AND PRORATIONS.

6.1. PURCHASER'S COSTS. Purchaser will pay the following costs of closing this transaction:

6.1.1. The fees and disbursements of its counsel, inspecting architect and engineer, if any;

6.1.2. One-half (1/2) of any escrow fees;

6.1.3. If Purchaser elects to obtain replacements for or update the existing owner's title insurance policies for the Property, the cost thereof;

6.1.4. The cost of the Survey;

6.1.5. Any recording fees; and

6.1.6. Any other expense(s) incurred by Purchaser or its representative(s) in inspecting or evaluating the Property or closing this transaction.

12

In addition, if any transfer tax is incurred as described in Section 4.5 above, Purchaser shall have paid one half (1/2) thereof.

6.2. SELLER'S COSTS. Seller will pay:

6.2.1. One-half (1/2) of any escrow fees; and

6.2.2. The broker's fee related to this transaction to the extent any such fee is payable pursuant to Seller's separate agreement with Colliers Pickard.

In addition, if any transfer tax is incurred as described in Section 4.5 above, Seller shall have paid one half (1/2) thereof.

In addition, Seller shall retain the obligation to pay, and agrees to indemnify and hold Purchaser harmless from any loss, damage, claim, action, cost or expense, including attorneys' fees, arising from Seller's non-payment of, any leasing commission due under the leasing commission agreement as and when such becomes due and payable, with respect to the lease to The United States of America of space in 938 Elkridge Landing Road, as such leasing commission agreement is in effect as of the date of this Agreement and as such lease may be renewed on an annual basis to April 30, 2010 as presently provided in such lease. Seller shall not be liable for any new, increased or changed commission resulting from subsequent changes thereto. This provision shall survive Closing.

6.3 PRORATIONS. For purposes of calculating prorations and adjustments, the Purchaser shall be deemed to be the owner of the Property, and therefore entitled to the income therefrom and responsible for the expenses thereof for the entire day upon which the "CLOSING" (such term referring to the First Closing with respect to prorations relating thereto or when used in relation to such closing, and to the Airport I Closing with respect to prorations related thereto or when used in relation to such closing) occurs. All prorations shall be made on the basis of the actual number of days of the month which shall have elapsed as of the "DATE OF CLOSING" (such term meaning and referring to the Date of First Closing with respect to matters relating to such Closing, and to the Date of Airport I Closing with respect to matters relating to such Closing) and based upon the actual number of days in the month and a 365-day year. The following shall be prorated and adjusted between Seller and Purchaser as of the Date of Closing, except as otherwise specified:

6.3.1 general real estate, personal property and ad valorem taxes and assessments, front foot benefit charges and any improvement or other bonds encumbering the Property for the current tax year. The foregoing items shall be assumed and paid by Purchaser for periods commencing with the Date of Closing.

6.3.2 utility charges, including but not limited to gas, electric, public telephone or telephone charges related to security, elevator or fire protection systems serving the Property, and water and sewer charges. Seller shall use reasonable efforts to obtain meter readings and bills and charges to and including the day prior to the Date of Closing. If the actual amounts to be prorated under this subsection are not known as of the Date of Closing or cannot be conclusively determined, the proration shall be

13

estimated at Closing on the basis of the most recently issued invoices for same and shall be readjusted within sixty (60) days after the Date of Closing. Seller and Purchaser agree to cooperate fully to complete all post-closing reconciliations and adjustments. Seller shall obtain the refund of any existing utility deposits, Purchaser agreeing to cooperate in connection therewith at no expense to Purchaser, and Purchaser shall make its own arrangements with utility companies from and after Closing.

6.3.3 To the extent practicable, Seller shall pay prior to the Closing the amount of any liabilities pursuant to the Contracts and shall provide at Closing satisfactory evidence of payment; provided, however, if Purchaser has elected to assume any the obligations of any Contract(s) pursuant to Section 4.4 hereof, then Seller shall pay prior to Closing (if the same has become payable or has been billed or invoiced) the amount of liabilities under such Contract(s) for the billing period which shall include the Date of Closing and such invoice shall be adjusted accordingly between Seller and Purchaser (Purchaser being responsible for the period commencing with the Date of Closing). Any item not paid to and including the day prior to the Date of Closing shall be prorated at Closing. If the actual amounts to be prorated under this subsection are not known as of the Date of Closing or cannot be conclusively determined, the proration shall be estimated at Closing on the basis of the most recently issued invoices for same and shall be readjusted within sixty (60) days after the date of Closing. Seller and Purchaser agree to cooperate fully to complete all post-closing reconciliations and adjustments

6.3.4 rent, additional rent, tenant improvement loans or reimbursements, and all other charges under the Leases (herein collectively "RENTS") other than Delinquencies (as hereafter defined). Notwithstanding any terms of this Agreement to the contrary, Rents that are past due as of the Date of Closing ("DELINQUENCIES") shall not be prorated. Amounts collected from tenants who are obligors on Delinquencies by the Purchaser after Closing shall be applied (i) first, to Rents then most recently due from the subject tenant; (ii) second, to Rents attributable to any period after the Date of Closing which are past due on the date of receipt; (iii) third, and finally, to Delinquencies as of the Date of Closing (Purchaser shall promptly remit such amounts to Seller by the 15th day of each calendar month from and after the Date of Closing). Purchaser shall use commercially reasonable efforts from and after the Date of Closing for the collection of Delinquencies, but shall have no obligation to file suit therefor. Seller retains its rights and remedies with respect to Delinquencies, except that Seller shall not be entitled to terminate any Lease or evict any tenant. Further, Seller shall promptly endorse over to and remit to Purchaser by the 15th day of each calendar month after the Date of Closing all payments of rent, additional rent or other charges received under the Leases after the Date of Closing to be adjusted in accordance with the terms of this subsection.

6.3.5 the amount of all unapplied security deposits under the Leases shall be credited to Purchaser and all security deposits in the form of letters of credit (if any) shall be endorsed over and delivered to Purchaser by Seller.

6.3.6 all prepaid rents, pre-paid additional rents and other charges prepaid and received by Seller ("PREPAID RENTS") whether for operating expenses, insurance, common area expenses, or real estate taxes under any Lease for the operating year in which the Closing shall occur shall be credited to Purchaser at Closing. Seller

14

shall have completed its expense reconciliations for the calendar year 1999 and 2000 (if 2000 reconciliations are not completed by the Date of Closing, Seller shall cause same to be completed as expeditiously as possible thereafter, and, to the extent of any required record or information having

been turned over the Purchaser, Purchaser shall cooperate in such regard) and the real estate tax year commencing July 1, 2000 and expiring June 30, 2001, and Purchaser shall invoice any under payments or refund payments applicable thereto, as the case may be, to each tenant in accordance with (but only to the extent in accordance with) the terms of each tenant's respective Lease. With respect to year-end reconciliations of reimbursable expenses under the Leases attributable to the calendar year 2001, Purchaser shall complete such reconciliations, and to that end Seller shall promptly deliver to Purchaser as soon as practicable following Closing a complete general ledger statement for the period commencing January 1, 2001 through the Date of Closing. Seller shall be responsible for the amounts due and owing to tenants under the Leases, and entitled to amounts payable to the tenants under the Leases (as the case may be) with respect to periods prior to the Date of Closing. Purchaser shall be responsible for amounts due and owing to tenants under the Leases, and entitled to amounts payable to tenants under the Leases (as the case may be) with respect to periods from and after the Date of Closing. With respect to any such amounts payable to Seller, Purchaser agrees to use commercially reasonable efforts to collect such amounts from tenants and promptly upon collection to remit the amount thereof to Seller.

6.3.7 in no event will there be any proration of insurance premiums under Seller's existing policies of insurance relating to the Property.

6.3.8 unless otherwise specifically provided herein, such other items that are customarily prorated in transactions of this nature shall be ratably prorated and adjusted between Purchaser and Seller.

The terms of this Section 6.3 shall survive Closing.

6.4 MUTUAL INDEMNITY. Except as expressly provided herein, the purpose and intent as to the provisions of this Agreement relating to prorations, adjustments and apportionments is that Seller shall bear all expenses of ownership and operation of the LLCs and Property and shall receive all income therefrom accruing through midnight at the end of the day preceding the Closing and Purchaser shall bear all such expenses and receive all such income accruing thereafter. In furtherance thereof, the parties agree that the conveyance of the Interests hereunder will not discharge or relieve Seller, except as otherwise provided in this Agreement or to the extent that proration or adjustment credit is provided to Purchaser (to the extent of such credit) under this Agreement with respect to any item, from any liability or obligation, known or unknown, contingent or non-contingent, arising out of or related to Seller's ownership of each Interest prior to Date of Closing. Seller agrees to indemnify and hold Purchaser harmless from and against such non-discharged and non-released non-tort liabilities, subject, however, to the aggregate cap on liabilities and limitation of time set forth in Section 11.17 hereof, and further subject to a "deductible" such that Purchaser shall have no claim hereunder unless the amount resulting from the matter or matters exceeds an aggregate of \$25,000. In the event Purchaser is named as a defendant in any cause of action for a tort alleged to have occurred at the Property prior to such Date of Closing, Seller shall indemnify and hold Purchaser harmless from any liability, cost or expense arising from such action; provided, however, that such indemnity and

15

agreement to hold harmless shall be limited to the extent to which Seller is insured against the underlying occurrence, and shall be further limited by the aggregate cap on liabilities and limitation of time as set forth in Section 11.17 hereof and the \$25,000 "deductible" set forth in the preceding sentence. Purchaser shall indemnify and hold Seller harmless from and against all liability, claim of liability or expense arising out of any claims hereafter brought against Seller in its capacity of a member or former member in the LLC of which it was a member, on account of any act, omission or obligation of the LLC arising on or after the Date of Closing, or arising prior to the Date of Closing to the extent (with respect to pre-Closing matters), and only to the extent, that under the terms of this Agreement such act, omission or obligation is or has been assumed by Purchaser to the extent, and only to the extent, that Purchaser, upon Closing, receives proration or adjustment credit, and then only to the extent of such credit, with respect to the obligation of the LLC at issue.

7. DAMAGE, DESTRUCTION OR CONDEMNATION.

7.1 MATERIAL EVENT. If, prior to Closing, there is damage to or destruction of the building(s) on the Property which is reasonably estimated to cost \$500,000 or more to repair or restore, or there is a taking of parking spaces on the Property such as to render the relevant parcel of the Property no longer operable for its present use, or there is a taking of all access to any parcel of the Property, Purchaser may elect to terminate this Agreement by giving written notice of its election to Seller within fourteen (14) days after receiving notice of such destruction or taking. If such event occurs prior to the First Closing, such termination will be of the entire Agreement (subject to express provisions for survival of certain obligations), and if such event occurs thereafter, of the Agreement as it relates to the Airport I Property. If

Purchaser does not give such written notice within such fourteen (14) day period, this transaction shall be consummated on the date and at the applicable Purchase Price provided for in Section 2, and Seller will assign to Purchaser the physical damage proceeds of any insurance policy(ies) payable to Seller, or Seller's portion of any condemnation award, in both cases, up to the amount of the applicable Purchase Price, and, if an insured casualty, pay to Purchaser the amount of any deductible but not to exceed the amount of the loss.

7.2 IMMATERIAL EVENT. If, prior to Closing, there is a casualty occurrence or taking under power of eminent domain and Section 7.1 does not apply, Purchaser shall close this transaction on the date and at the Purchase Price agreed upon in Section 2, and Purchaser shall receive and retain the physical damage proceeds of any insurance policies payable to the LLC which is the owner of the affected portion of the Property, or its portion of any condemnation award, in both cases, up to the amount of the applicable Purchase Price. If the event is an insured casualty, Seller shall pay to Purchaser the amount of any deductible but not to exceed the amount of the loss.

7.3 TERMINATION AND RETURN OF DEPOSIT. If either party elects to terminate this Agreement pursuant to this Section 7, and if Purchaser is not, on the date of such election, in default of its obligation to have closed under the Agreement, Seller shall promptly direct the Title Company to return the Deposit to Purchaser.

8. NOTICES. Any notice required or permitted to be given hereunder shall be deemed to be given when hand delivered or one (1) business day after pickup by Emery Air Freight, Airborne, Federal Express, or similar overnight express service, or when delivered by facsimile

16

transmission with written acknowledgment of receipt, in any case addressed to the parties at their respective addresses referenced below:

If to Seller: c/o UBS Realty Investors LLC
242 Trumbull Street
Hartford, Connecticut 06103-1212

Attention: Kevin M. Crean
Phone: (860) 275-2376
Fax: (860) 275-2109

With a copy to: Kroll McNamara & Evans, LLP
29 South Main Street
West Hartford, Connecticut 06107

Attention: Garrett Delehanty
Phone: (860) 561-7070
Fax: (860) 561-7075

If to Purchaser: COPT Acquisitions, Inc.
8815 Centre Park Drive
Columbia, Maryland 21045

Attention: John Gurley, Esq.
Phone: (410) 992-7247
Fax: (410) 992-7534

or, in each case, to such other address as either party may from time to time designate by giving notice in writing to the other party. Telephone numbers are for informational purposes only. Effective notice will be deemed given only as provided above.

9. CLOSING AND ESCROW.

9.1. ESCROW INSTRUCTIONS. Upon execution of this Agreement, the parties shall deliver an executed counterpart of this Agreement to the Title Company to serve as the instructions to the Title Company as the escrow holder for consummation of the transaction contemplated herein. Seller and Purchaser agree to execute such additional and supplementary escrow instructions as may be appropriate to enable the Title Company to comply with the terms of this Agreement, provided, however that in the event of any conflict between the provisions of this Agreement and any supplementary escrow instructions, the terms of this Agreement shall prevail.

9.2. SELLER'S DELIVERIES. For each of the First Closing and the Airport I Closing, Seller shall deliver either at the Closing or by making available at the Property, as appropriate, the following original documents for such Closing, each executed and, if required, acknowledged:

17

9.2.1. An Assignment of Membership Interests, in the form attached

hereto as EXHIBIT 9.2.1.

9.2.2. Copies of all contracts relating to the Property which Purchaser has elected to assume or which are not terminable by Seller on or before the Date of Closing;

9.2.3. All books and records at the Property held by or for the account of the LLCs, including without limitation, plans and specifications and lease applications, as available, and such books and records of the LLCs maintained by Seller as Seller is not required to retain (in such event, Seller shall afford Purchaser with the ability to make copies of any retained books and records excepting only valuations of the Property and any other proprietary materials of Seller).

9.2.4. An affidavit pursuant to the Foreign Investment and Real Property Tax Act in the form attached hereto as EXHIBIT 9.2.4.

9.2.5. A corporate authorization in the form attached hereto as EXHIBIT 9.2.5.

9.2.6. An incumbency affidavit in the form attached hereto as EXHIBIT 9.2.6.

9.2.7. The Rent Schedule prepared pursuant to Section 6.3 hereof.

9.2.8 Provided that the form thereof has been delivered to Seller at least ten (10) days prior to the Date of Closing, and the same has been approved by Seller's counsel (which approval shall not unreasonably be withheld, it being agreed that it shall not be unreasonable to withhold approval of any proposed form requiring individual liability for the signatory thereto, or making the indemnitor liable for errors of, or lack of reasonable care by, the Underwriting Title Company or the Title Company), Seller shall execute and deliver such affidavits and indemnities as the Underwriting Title Company shall reasonably require to enable Purchaser to obtain non-imputation coverages to such title insurance as Purchaser shall elect to purchase at Closing.

9.3. PURCHASER'S DELIVERIES. At the Closing, Purchaser shall (i) pay Seller the First Purchase Price or the Airport I Purchase Price, as the case may be; and (ii) execute and deliver to Seller the agreements referred to in Sections 9.2.1 and the ERISA certificate attached hereto as EXHIBIT 9.3.

9.4. POSSESSION. Purchaser shall be entitled to possession of the Main Properties or the Airport I Property, upon conclusion of the First Closing or the Airport I Closing, respectively.

9.5. INSURANCE. Seller may terminate any policies of insurance relating to the Main LLCs or the Main Property, or the Airport I LLC or the Airport I Property, as the case may be. as of noon on the applicable Date of Closing and Purchaser shall be responsible for obtaining its own insurance thereafter.

18

9.6. UTILITY SERVICE AND DEPOSITS. Seller shall be entitled to a credit in the amount of any deposit(s) posted by it with any utility company.

9.7. NOTICE LETTERS. At or subsequent to Closing, Seller shall execute and deliver to Purchaser copies of a letter to accompany and direct compliance with a notification by Purchaser to tenants of the applicable Property, and/or contractors and utility companies serving such Property, advising them of the sale of the applicable Interests to Purchaser and directing to Purchaser all rents and all bills for the services provided to such Property on and after the Date of Closing.

10. DEFAULT; FAILURE OF CONDITION.

10.1. PURCHASER DEFAULT. If Purchaser shall become in breach of or default under this Agreement and the breach or default continues beyond the expiration of the cure period, if any, provided in Section 11.6 hereof, the Seller's sole remedy shall be to retain the "DEPOSIT" (prior to the First Closing, such term referring both to the Main Deposit and the Airport I Deposit, and thereafter to the Airport I Deposit) as liquidated damages, and both parties shall be relieved of and released from any further liability hereunder except for Purchaser's Indemnity Obligations set forth in Section 3.1.2 hereof and confidentiality obligations under this Agreement, both of which shall be separately remediable. Seller and Purchaser agree that the Deposit is a fair and reasonable amount to be retained by Seller as agreed and liquidated damages in light of Seller's removal of the Property from the market and the costs incurred by Seller and shall not constitute a penalty or a forfeiture.

10.2. SELLER DEFAULT. If Seller shall refuse or fail to convey the Interests as herein provided for any reason other than (i) a default by Purchaser and the expiration of the cure period, if any, provided under Section 11.6 hereof, (ii) the existence of a Pending Default (as defined in and

contemplated by Section 11.6), or (iii) any other provision of this Agreement which permits Seller to terminate this Agreement or otherwise relieves Seller of the obligation to convey the Interests, Purchaser shall elect as its sole remedy hereunder either to terminate the Agreement and recover the Deposit or seek a specific enforcement remedy to enforce the Seller's obligations to convey the Interests, provided that no such action in specific performance shall seek to require the Seller to do any of the following: (a) change the condition of the Property or restore the same after any fire or other casualty; (b) subject to Section 10.3 below, expend money or post a bond to remove a title encumbrance or defect or correct any matter shown on a survey of the Property; or (c) secure any permit, approval, or consent with respect to the Property or Seller's conveyance of the Property.

10.3. FAILURE OF CONDITION. If prior to Closing Seller discloses to Purchaser or Purchaser discovers that (i) title to the Property is subject to defects, limitations or encumbrances other than Permitted Encumbrances, or (ii) any representation or warranty of Seller contained in this Agreement is or, as of the Date of Closing, will be untrue then Purchaser shall promptly give Seller written notice of its objection thereto. In such event, Seller may elect to postpone the Closing for thirty (30) days and attempt to cure such objection, provided that Purchaser may not object to the state of title of the Property on the basis of any Permitted Encumbrances. The parties acknowledge and agree that Seller shall have no obligation to cure any objection unless it is required to do so pursuant to Section 3.2 hereof. If Purchaser fails to waive the objection within ten (10) days after notice from Seller that Seller will not cure the objection, this

19

Agreement will terminate automatically (subsequent to the First Closing, only insofar as it affects the Airport I Property) and Seller shall promptly direct the Title Company to return the Deposit (subsequent to the First Closing, the Airport I Deposit only) to Purchaser, provided that Purchaser shall not be in default hereunder, and, except as provided below, neither party shall have any liability to the other except for Purchaser's Indemnity Obligations set forth in Section 3.1.2 hereof and confidentiality obligations under this Agreement. For the purposes of this Agreement, any title defect, limitation or encumbrance other than a Permitted Encumbrance shall be deemed cured if Chicago Title Insurance Company or another title company reasonably acceptable to Purchaser and authorized to do business in Maryland will agree to issue an ALTA owner's title insurance policy to Purchaser for the applicable Purchase Price, which policy takes no exception for such defect, limitation or encumbrance and is issued for no additional premium or for an additional premium if Seller agrees to pay such additional premium upon Closing. Notwithstanding the foregoing, in the event prior to Closing Seller discloses to Purchaser or Purchaser discovers that a representation and warranty set forth in Section 5.1 was materially untrue when made, and Purchaser can demonstrate that if it were aware of such material untruth it would not have entered into this Agreement, or that a reasonable person, as a result of the subject matter of the representation and warranty and the adverse effect on the use or value of the Property arising from the inaccuracy of the representation or warranty, would have determined, not to proceed to consummate this transaction, Purchaser, in addition to terminating this Agreement as above provided, may recover from Seller its third party expenses incurred in its due diligence studies and investigations hereunder up to a maximum amount of Seventy-five Thousand Dollars (\$75,000); provided that after the First Closing such material untruth must relate to the Airport I LLC or the Airport I Property, and such amount shall be reduced to Nineteen Thousand One Hundred Fifty Dollars (\$19,150).

11. MISCELLANEOUS.

11.1. ENTIRE AGREEMENT. This Agreement, together with the Exhibits attached hereto, all of which are incorporated by reference, is the entire agreement between the parties with respect to the subject matter hereof, and no alteration, modification or interpretation hereof shall be binding unless in writing and signed by both parties.

11.2. SEVERABILITY. If any provision of this Agreement or application to any party or circumstances shall be determined by any court of competent jurisdiction to be invalid and unenforceable to any extent, the remainder of this Agreement or the application of such provision to such person or circumstances, other than those as to which it is so determined invalid or unenforceable, shall not be affected thereby, and each provision hereof shall be valid and shall be enforced to the fullest extent permitted by law.

11.3. APPLICABLE LAW. This Agreement shall be construed and enforced in accordance with the laws of the State of Maryland.

11.4. ASSIGNABILITY. Seller acknowledges and agrees that Purchaser shall have the right, provided it gives written notice of such assignment to Seller at least seven (7) business days prior to the Date of Closing but without the need of any approval or consent of Seller, to assign its rights and obligations under this Agreement to its parent entity, Corporate Office Properties Trust ("COPT"), Corporate Office Properties, L.P. ("COPLP") or to any entity or affiliate in

which either COPT or CPOLP shall have at least a 10% equity ownership interest

20

("PERMITTED ASSIGNMENT"). Other than for a Permitted Assignment, Purchaser may not assign this Agreement without first obtaining Seller's written consent. Any assignment in contravention of this provision shall be void. No assignment, whether or not permitted, shall release the Purchaser herein named from any obligation or liability under this Agreement. The Purchaser herein named and any permitted assignee shall be jointly and severally liable for all such obligations and liabilities. Any permitted assignee shall be deemed to have made any and all representations and warranties made by Purchaser hereunder, as if the assignee were the original signatory hereto.

11.5. SUCCESSIONS BOUND. This Agreement shall be binding upon and inure to the benefit of Purchaser and Seller and their respective successors and permitted assigns.

11.6. BREACH. Should either party be in breach of or default under or otherwise fail to comply with any of the terms of this Agreement, except as otherwise provided in this Agreement, the complying party shall have the option to cancel this Agreement (prior to the First Closing as to the entire Property, and thereafter as to the Airport I Property) upon ten (10) days written notice to the other party of the alleged breach and failure by such other party to cure such breach within such ten (10) day period. The non-defaulting party shall promptly notify the defaulting party in writing of any alleged default upon obtaining knowledge thereof. The applicable Date of Closing shall be extended to the extent necessary to afford the defaulting party the full ten-day period within which to cure such default; provided, however, that the failure or refusal by a party to perform on the scheduled Date of Closing (except in respect of a Pending Default by the other party) shall be deemed to be an immediate default without the necessity of notice; and provided further, that if the Date of Closing shall have been once extended as a result of default by a party, such party shall be not be entitled to any further notice or cure rights with respect to that or any other default. For purposes of this Section 11.6, a "PENDING DEFAULT" shall be a default for which (i) written notice was given by the non-defaulting party, and (ii) the cure period extends beyond the scheduled Date of Closing.

11.7. NO PUBLIC DISCLOSURE. Except as required by its reporting obligations under applicable law, Purchaser shall make no public disclosure of the terms of this transaction prior to Closing without the prior written consent of Seller, except that Purchaser may discuss the transaction in confidence with proposed joint venturers or prospective mortgagees.

11.8. CAPTIONS. The captions in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Agreement or the scope or content of any of its provisions.

11.9. ATTORNEYS' FEES. In the event of any litigation arising out of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs.

11.10. NO PARTNERSHIP. Nothing contained in this Agreement shall be construed to create a partnership or joint venture between the parties or their successors in interest.

11.11. TIME OF ESSENCE. Time is of the essence for all purposes of this Agreement.

21

11.12. COUNTERPARTS. This Agreement may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument.

11.13. RECORDATION. Purchaser and Seller agree not to record this Agreement or any memorandum hereof.

11.14. PROPER EXECUTION. The submission by Seller to Purchaser of this Agreement in unsigned form shall be deemed to be a submission solely for Purchaser's consideration and not for acceptance and execution. Such submission shall have no binding force and effect, shall not constitute an option, and shall not confer any rights upon Purchaser or impose any obligations upon Seller irrespective of any reliance thereon, change of position or partial performance. The submission by Seller of this Agreement for execution by Purchaser and the actual execution and delivery thereof by Purchaser to Seller shall similarly have no binding force and effect on Seller unless and until Seller shall have executed this Agreement and the Deposit shall have been received by the Title Company and a counterpart thereof shall have been delivered to Purchaser.

11.15. TAX PROTEST. If, as a result of any tax protest or otherwise, any refund or reduction of any real property or other tax or assessment relating to

the Property during the period for which, under the terms of this Agreement, Seller is responsible, Seller shall be entitled to receive or retain such refund or the benefit of such reduction, less equitable prorated costs of collection.

11.16. BEST KNOWLEDGE; RECEIVED WRITTEN NOTICE. Whenever a representation, warranty or other statement is made in this Agreement or in any document or instrument to be delivered at Closing pursuant to this Agreement, on the basis of the best of knowledge, the actual knowledge or the knowledge of Seller, or is qualified by Seller having received written notice, such representation, warranty or other statement is made with the exclusion of any facts disclosed to or otherwise known by Purchaser, and is made solely on the basis of the actual, as distinguished from implied, imputed and constructive, knowledge on the date that such representation or warranty is made, without inquiry or investigation or duty thereof, of Bill Nikolis, Kevin Crean and Denise Schenarts (the officers of UBS Realty Investors LLC, Seller's investment advisor and agent, having responsibility for the management and sale of, and the accounting function with respect to, the Property), without attribution to such specific officers of facts and matters otherwise within the personal knowledge of any other officers or employees of Seller or third parties, including but not limited to tenants and property managers of the Property, and excluding, whether or not actually known by such specific officers, any matter known to Purchaser or its agents at the time of Closing.

11.17. SURVIVAL AND LIMITATION OF REPRESENTATIONS AND WARRANTIES. The representations and warranties of Seller set forth in Section 5.1 and 11.20 shall survive the Closing, but written notification of any claim arising therefrom must be received by Seller within twelve (12) months after the Date of First Closing for claims relating to the Main Properties or Main LLCs, or the Date of Airport I Closing for claims relating to the Airport I Property or Airport I LLC, or such claim shall be forever barred and Seller shall have no liability with respect thereto. The aggregate liability of the Seller with respect to all claims hereunder shall not exceed Five Hundred Fifty-Eight Thousand Five Hundred Dollars (\$558,500) for the Main

22

Properties and Main LLCs and One Hundred Ninety-One Thousand Five Hundred Dollars (\$191,500) for the Airport I LLC and Airport I Property.

11.18. TIME TO EXECUTE AND DELIVER. This Agreement shall be voidable at Seller's election if one fully executed copy is not received by Seller, along with confirmation that the Deposit has been received by the Title Company, on or before 5:00 p.m. E.S.T. on March 2, 2001.

11.19. LIMITATION OF LIABILITY. Seller is entering into this Agreement solely on behalf of Aetna Life Insurance Company Separate Account 050. Separate Account 050 is a separate account as defined in Section 3(17) of ERISA. Only the assets of Separate Account 050 shall be bound for the obligations of Separate Account 050, and Purchaser shall have no resort to any other assets of Aetna Life Insurance Company for the obligations of Seller hereunder, or under any agreement, document or instrument executed and delivered pursuant to this Agreement. Seller represents and warrants to Purchaser that the aggregate assets of Separate Account 050, exclusive of its interest in the Property, are and at Closing will be in excess of One Hundred Million Dollars (\$100,000,000). This provision shall survive Closing or any termination of this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS]

23

IN WITNESS WHEREOF, Purchaser and Seller have executed this Agreement as of the date set forth above.

SELLER:

AETNA LIFE INSURANCE COMPANY

By: /s/ Fernando Treviso

Printed name: Fernando Treviso

Its: Ass't Vice President

PURCHASER:

COPT ACQUISITIONS, INC.

By: /s/ Roger A. Waesche, Jr.

Printed name: _____
Its: _____

24

AN ORIGINAL, FULLY EXECUTED COPY OF THIS AGREEMENT, TOGETHER WITH THE
DEPOSIT, HAS BEEN RECEIVED BY KROLL MCNAMARA & EVANS, LLP THIS 5TH DAY OF MARCH,
2001.

KROLL, MCNAMARA & EVANS, LLP

By: /s/ Garrett Delehanty

Printed name: Garrett Delehanty

Its: Partner

25

CONTRIBUTION AGREEMENT

Between

CORPORATE OFFICE PROPERTIES, L.P.

And

MANEKIN INVESTMENT ASSOCIATES 3 LLC
AND RA & DM, INC.

Dated as of June 1, 2001

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE UPREIT AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SECURITIES REFERENCED HEREIN HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISK OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

THIS CONTRIBUTION AGREEMENT (this "AGREEMENT") is made and entered into as of the ____ day of _____, 2001 (the "CONTRACT DATE"), by and among RA & DM, INC., a Maryland corporation ("GP"), and MANEKIN INVESTMENT ASSOCIATES 3 LLC, a Maryland limited liability company ("LP") (GP and LP are collectively referred to as "CONTRIBUTORS"); and CORPORATE OFFICE PROPERTIES, L.P., a Delaware limited partnership ("UPREIT").

BACKGROUND

A. GP owns a 1% general partnership interest in Gateway 63 LLLP, a Maryland limited liability limited partnership (the "Partnership"), and LP owns a 99% limited partnership interest in the Partnership. Contributors are the sole partners in the Partnership. Prior to Closing, the Partnership shall be converted into a Maryland limited liability company (the "Company") at the cost of Contributors (the "Conversion"), such that GP shall own a 1% membership interest and LP shall own a 99% membership interest in the Company. Accordingly, Contributors shall own 100% of the membership interests in the Company (the "INTERESTS"). All references in this Agreement to the "Company" shall refer to the Partnership during the period prior to the Conversion.

B. In this Agreement, the term "REAL PROPERTY" shall mean: (i) those parcels of land described on EXHIBIT A attached hereto (the "LAND"), together with all rights, easements and interests appurtenant thereto, including, but not limited to, any streets or other public ways adjacent to the Land and any water or mineral rights owned by, or leased to, the Company; (ii) all improvements located on the Land, including, but not limited to, the Buildings, and all other structures, systems, and utilities associated with, and utilized by, the Company in the ownership and operation of the Buildings (all such improvements being collectively referred to herein as the "IMPROVEMENTS"); (iii) all personal property of every nature and description owned by the Company and either (A) located on or in the Land or Improvements, or (B) used in connection with the operation and maintenance of the Real Property (collectively, the "PERSONAL PROPERTY"), including, without limitation, all (if any) personal property listed on EXHIBIT B attached hereto; (iv) all building materials, supplies, hardware, carpeting and other inventory owned by the Company and maintained in connection with the Company's ownership and operation of the Land and/or Improvements (collectively, the "INVENTORY"); and (v) all intangible property owned by the Company used or useful in connection with the foregoing including, without limitation, all trademarks, tradenames, development rights, entitlements, contract rights, tenant improvement loans, guarantees, licenses, permits and warranties (collectively, the "INTANGIBLE PERSONAL PROPERTY").

C. Contributors and UPREIT desire to enter into this Agreement relating to the contribution and conveyance of the Interests in exchange for LP Units and other consideration (as defined below).

consideration, the receipt and sufficiency of which are hereby acknowledged, intending to be legally bound, the parties agree as follows:

1. DEFINITIONS.

All terms which are not otherwise defined in this Agreement shall have the meaning set forth in this Section 1.

1.1. "ACCREDITED INVESTOR" shall have the meaning set forth in Regulation D promulgated under the Securities Act of 1933, as amended.

1.2. "AFFILIATES(S)" shall mean any entity affiliated with or related to the REIT or the UPREIT.

1.3. "AMENDMENT" shall have the meaning set forth in Section 4.1.1.

1.4. "BUILDINGS" shall have the meaning set forth in the recitals to this Agreement.

1.5. "CLOSING" or "CLOSING DATE" shall have the meaning set forth in Section 6.

1.6 "CODE" shall mean the Internal Revenue Code.

1.7. "CONTRIBUTORS" shall have the meaning set forth in the opening paragraph to this Agreement.

1.8. "CONTRIBUTORS' CONDITION PRECEDENT" shall mean all conditions precedent to Contributors' obligations to close as set forth in this Agreement.

1.9. "CONVERSION SHARES" shall have the meaning set forth in Section 4.1.3.

1.10 "EXCHANGE" shall have the meaning set forth in Section 4.6.

1.11 "GOVERNMENTAL AUTHORITY/AUTHORITIES" shall mean any agency, commission, department or body of any municipal, township, county, local, state or federal governmental or quasi-governmental regulatory unit, entity or authority having jurisdiction or authority over the matter.

3

1.12. "INDEMNIFIED PARTIES" shall mean the UPREIT and the REIT and each of their respective partners, officers, directors, shareholders, agents and employees and each of their successors and assigns.

1.13. "INFORMATIONAL MATERIALS" shall have the meaning set forth in Section 4.2. below.

1.14. "INSPECTION PERIOD" shall have the meaning set forth in Section 8.

1.15. "INTEREST HOLDER(S)" shall mean any direct and indirect partners, shareholders and members of Contributors.

1.16. "INVESTOR MATERIALS" shall have the meaning set forth in Section 4.1.2.

1.17. "LOCK-UP PERIOD" as to the LP Units issued at the Closing, shall mean the period ending on the date on which a registration statement filed in respect of such LP Units issued to the Contributors pursuant to the Registration Rights Agreement is declared effective.

1.18. "LOSSES" shall mean any and all claims, losses, demands, liabilities, suits, administrative proceedings, causes of action, costs and damages suffered by any Indemnified Party and reasonable attorneys' fees of counsel selected by an Indemnified Party and other costs of defense, incurred, arising against, or suffered by any Indemnified Party, both known and unknown, present and future, at law or in equity.

1.19. "LP UNITS" shall mean the common units in the UPREIT.

1.20. "MANEKIN INDEBTEDNESS" shall mean the indebtedness of the Company to Manekin, LLC in the amount of \$1,041,430. The Manekin Indebtedness is evidenced and secured by the Manekin Loan Documents.

1.21. "MANEKIN LOAN DOCUMENTS" shall mean the documents evidencing the Manekin Indebtedness, as described on EXHIBIT C.

1.22. "MERCANTILE INDEBTEDNESS" shall mean the indebtedness as of the Closing Date relating to the loan to the Company from Mercantile-Safe Deposit and Trust Company, in the original principal amount of \$21,900,000. The Mercantile Indebtedness is evidenced and secured by the Mercantile Loan

Documents, which as of Closing shall be in the name of the Company as borrower.

1.23. "MERCANTILE LOAN DOCUMENTS" shall mean the documents evidencing or securing the Mercantile Indebtedness, as described on EXHIBIT C.

4

1.24. "NON-TAXABLE DISPOSITION PERIOD" shall mean the period commencing on the Closing Date and ending one year and one day thereafter.

1.25. "PARTNERSHIP AGREEMENT" shall mean the agreement of limited partnership of the UPREIT, as amended from time to time.

1.26. "RECORDS" shall mean all books, records, tax returns, correspondence, financial data, leases, and all other documents and matters, public or private, maintained by the Company, Contributors or their agents, relating to receipts and expenditures pertaining to all of the Real Property and the Interests for the three most recent full calendar years and the current calendar year and all contracts, rental agreements and all other documents and matters, public and private, maintained by Contributors or their agents, relating to operations of the Real Property, the Company or the Interests.

1.27. "REGISTRATION RIGHTS AGREEMENT" shall mean the Amended and Restated Registration Rights Agreement dated March 16, 1998 and attached as Exhibit 3 to the Partnership Agreement, the benefits of which shall be conferred upon the Contributors at the Closing.

1.28. "REIT" means Corporate Office Properties Trust a, publicly traded Maryland real estate investment trust.

1.29. "SECURITIES ACT" shall mean the Securities Act of 1933, as amended.

1.30. "TAXES" shall have the meaning set forth in Section 11.1.2.3.

1.31. "TAX RETURN" shall have the meaning set forth in Section 11.1.2.3.

1.32. "UPREIT" means Corporate Office Properties, L.P., a Delaware limited partnership.

1.33. "UPREIT'S CONDITION PRECEDENT" shall mean all conditions precedent to UPREIT's obligations to close as set forth in this Agreement

2. CONTRIBUTION.

2.1. CONTRIBUTION. At the Closing, Contributors agree to contribute and convey to the UPREIT, and UPREIT shall accept and take from Contributors, on the terms and conditions set forth in this Agreement, all of Contributors' right, title and interest in and to the Interests, free and clear of all liens, claims and encumbrances. At the Closing, Contributors shall relinquish any rights they may have to any net worth,

5

equity, capital accounts, loan accounts (excluding the Manekin Indebtedness), cash flow distributions and any other distributions, withdrawals, or payments of any kind from the Company.

2.2 LIABILITIES. At the Closing, the Contributors shall cause the Company to have paid all of its liabilities and obligations, other than the Mercantile Indebtedness and the Manekin Indebtedness.

2.3 MANEKIN INDEBTEDNESS. At the Closing, UPREIT shall cause the Company to repay the Manekin Indebtedness in full. To the extent the Deposit is applied to the Manekin Indebtedness, UPREIT shall be deemed to have made a capital contribution to the Company in such amount.

3. CONTRIBUTION CONSIDERATION. In consideration of the contribution of the Interests by the Contributors to the UPREIT, and subject to the terms of this Agreement, at the Closing the UPREIT shall issue to the Contributors a number of LP Units (the "LP UNIT AMOUNT") equal to the Net Asset Value divided by \$10.50 (the "UNIT PRICE") (regardless of the share price of REIT shares. Such consideration in LP Units (based on the agreed value of the LP Units of \$10.50 per Unit) shall sometimes be referred to in this Agreement as the "CONTRIBUTION CONSIDERATION."

For example, if the Net Asset Value were \$3,990,000, the Contributors would receive 380,000 LP Units.

3.1. NET ASSET VALUE. The "NET ASSET VALUE" of the Company equals

Twenty-Three Million Four Hundred Eighty-One Thousand Six Hundred Sixty-Two Dollars (\$23,481,662) less the balance due at Closing of the Mercantile Indebtedness and the Manekin Indebtedness. The Net Asset Value shall be further adjusted by the positive or negative adjustments and prorations described in Section 16 below, all of which shall be adjusted as of the Closing Date.

3.2. DEPOSIT. UPREIT has deposited with Anchor Title Company (the "Title Company") Three Hundred Twenty-Five Thousand and 00/100 Dollars (\$325,000.00) (which deposit together with all interest earned thereon is referred to as the "DEPOSIT"). The Deposit shall be held by the Title Company in accordance with the terms of Section 26.10 hereof. If the Closing occurs, the Deposit shall be applied to the Manekin Indebtedness at the Closing; otherwise the Deposit shall be returned to UPREIT except as provided in Section 18.2 hereof.

3.3. SETTLEMENT ADJUSTMENTS. The Contributors and UPREIT will settle the prorations and adjustments as described in Section 16 in the following manner. If Contributors owe the same, on a net basis, to UPREIT, there shall be a reduction in the LP Units. If UPREIT owes the same, on a net basis, to Contributors, there shall be an increase in the LP Units.

6

4. LP UNITS; INVESTOR MATERIALS.

4.1. LP UNITS GENERALLY.

4.1.1. The LP Units shall be redeemable for common shares of the REIT or cash (or a combination thereof) in accordance with the procedures described in the Partnership Agreement. Contributors acknowledge that the LP Units are not certificated and that, therefore, the issuance of the LP Units shall be evidenced by the execution and delivery of an amendment to the Partnership Agreement, which amendment shall have been executed and delivered by the REIT on the Closing Date (the "AMENDMENT").

4.1.2. LP has signed and GP has caused its beneficial owner to sign EXHIBIT D attached hereto, which provides, among other things, information concerning LP's and GP's and GP's beneficial owner's status as Accredited Investors. GP and LP shall provide or cause to be provided to UPREIT, or to any other party designated by UPREIT, such other information and documentation as may reasonably be requested by UPREIT in furtherance of the issuance of the LP Units as contemplated hereby (together with the information provided on EXHIBIT D (the "INVESTOR MATERIALS")).

4.1.3. Contributors hereby covenant and agree that they shall deliver or shall cause each of their direct or indirect partners, shareholders or members to deliver to UPREIT, or to any other party designated by UPREIT, any documentation that may be required under the Partnership Agreement or any charter document of the REIT, and such other information and documentation as may reasonably be requested by UPREIT, at such time as the LP Units are redeemed for common shares of the REIT ("CONVERSION SHARES"). The preceding covenant shall survive the Closing.

4.2. CERTAIN INFORMATIONAL MATERIALS. Contributors hereby acknowledge and agree that the ownership of LP Units by Contributors and their respective rights and obligations as limited partners of the UPREIT (including, without limitation, the right to transfer, encumber, pledge and exchange the LP Units) shall be subject to all of the express limitations, terms, provisions and restrictions set forth in this Agreement and in the Partnership Agreement. In that regard, Contributors hereby covenant and agree that they shall execute any and all documentation reasonably required by the UPREIT and the REIT to formally memorialize the foregoing. Contributors acknowledge that they have received and reviewed, prior to the Closing Date, (i) the Partnership Agreement, (ii) the charter documents and bylaws of the REIT, (iii) the REIT's Form 10-K for the year ended December 31, 2000, (iv) all Form 10-Qs and Form 8-Ks that have been filed by the REIT since December 31, 2000, and (v) copies of all

7

material press releases, proxy statements and reports to shareholders issued since December 31, 2000, and have otherwise had an opportunity to conduct a due diligence review of the affairs of the UPREIT and the REIT and have been afforded the opportunity to ask questions of, and receive additional information from, the REIT regarding the REIT and the UPREIT.

4.3. LOCK-UP PERIOD. Contributors agree that during the Lock-Up Period, they shall not, in any way or to any extent, redeem (pursuant to the Partnership Agreement or otherwise), sell, transfer, assign, pledge or

encumber, or otherwise convey any or all of the LP Units delivered to them in connection with this transaction and, if applicable, any Conversion Shares. Notwithstanding the foregoing, Contributors may pledge any or all of the LP Units delivered to them in connection with this transaction for the loan made to Contributors by UPREIT pursuant to Section 6.2.

4.4. TRANSFER REQUIREMENTS. After the Lock-Up Period, the Contributors may only sell, transfer, assign, pledge or encumber, or otherwise convey any or all of the LP Units delivered to them and, if applicable, any Conversion Shares, in strict compliance with this Agreement, the Partnership Agreement, the charter documents of the REIT, the registration and other provisions of the Securities Act (and the rules promulgated thereunder), any state securities laws, the rules of the New York Stock Exchange and the Registration Rights Agreement, in each case as may be applicable. A legend may be placed on the face of the certificates evidencing the Conversion Shares to notify the holder of the restrictions on transfer under applicable federal or state securities laws.

4.5. TRADING RESTRICTIONS. From and after the expiration of the Lock-Up Period, the aggregate amount of common shares of the REIT that the Contributors may sell during any 10-trading day period shall not exceed 30 percent (30%) of the average of the daily trading volume of such stock (as reported in The Wall Street Journal) for the 30 trading days immediately preceding the date on which the first sale of such stock during any such 10-day period occurs.

4.6. DISCLAIMER OF TAX MATTERS. Contributors acknowledge that they may incur significant income tax by virtue of Contributors' ownership of the LP Units under various circumstances, including but not limited to a reduction or repayment of debt by the UPREIT, a sale of the Real Property or a sale of the Interests acquired. Contributors acknowledge that they have relied on the advice of their own tax counsel in connection with the contribution of the Interests and all other tax matters relating to the Interests and the LP Units. Contributors hereby release the REIT and UPREIT and their officers, directors, partners, agents, attorneys, accountants and consultants from any and all claims, losses, or damages resulting from the tax consequences arising to the Contributors and the Interest Holders, including but not limited to adverse tax consequences arising from the method of allocation selected under Section 4.8 of this Agreement.

Contributors

8

acknowledge that UPREIT and REIT make no representations or promises whatsoever as to retaining any debt, except as provided in Section 5.1.2, or providing tax basis to Contributors or the Interest Holders, nor is UPREIT or REIT making any representations or warranties as to forbearing from selling any or all assets directly or indirectly owned by it, except as provided in Section 5.1.1. Neither UPREIT nor the REIT warrant, nor shall any of them be responsible for, the federal, state or local tax consequences to Contributors or any or all of the Interest Holders resulting from either (i) the transactions contemplated by this Agreement or (ii) the allocation, if any, of losses and liabilities of the UPREIT to Contributors or any of the Interest Holders under the Partnership Agreement, the Internal Revenue Code (the "Code") or Treasury Regulations promulgated under the Code. The Contributors shall not be entitled to any special cash distributions from UPREIT by virtue of the sale or disposition of all or any of the Interests or the Real Property, notwithstanding anything contained in the Partnership Agreement to the contrary, but shall be entitled to their percentage share of distributions under the Partnership Agreement even if a portion thereof is attributable to the sale or disposition of all or any of the Interests or the Real Property. Neither the UPREIT nor the REIT shall incur any liability under any document or agreement required to be executed or delivered in connection with the exchange of the Interests for the Contribution Consideration (the "EXCHANGE").

4.7 FINAL TAX RETURN. As the contribution of the Interests to the UPREIT will terminate the Company for federal income tax purposes, the Contributors acknowledge that they will have no right to file the final tax return of the Company.

4.8 SECTION 704(c) METHOD. Contributors acknowledge that the REIT shall have the sole authority to elect a method of allocation under Section 704(c) of the Code and the Treasury Regulations promulgated thereunder in connection with the Exchange. Contributors acknowledge that adverse tax consequences may result to them depending on such method chosen.

5. PARTNERSHIP LIABILITIES AND SALES OF REAL PROPERTY.

5.1. DISPOSITION OBLIGATIONS. Subject to this Section 5.1 and the provisions of Section 5.2 hereof, during the Non-Taxable Disposition Period the UPREIT shall use its good faith, reasonable and diligent efforts:

5.1.1. To cause any sale or other voluntary disposition (other than through a deed in lieu of foreclosure, a foreclosure action, or an act of eminent domain) of the Real Property to qualify for non-recognition of gain under the Code (for example, by means of exchanges contemplated under Code Sections 351, 721, 1031 (but only if there is no "boot") or 1033), in the manner as the Code provides from time to time (the "NON-RECOGNITION CODE PROVISIONS"); provided, however, that the foregoing shall not require the REIT and UPREIT, in their sole and absolute discretion, to sell, or otherwise

9

dispose of, or prevent the REIT and UPREIT, in their sole and absolute discretion, from selling or otherwise disposing of, any of the Real Property in a transaction that would result in a loss for federal income tax purposes;

5.1.2. To maintain an amount of indebtedness for which Contributors bear or are deemed to bear the "economic risk of loss" within the meaning of Treasury Regulation Section 1.752-2(a) (including through the use of guarantee arrangements or arrangements providing for the imposition of a deficit restoration obligation on Contributors pursuant to the Partnership Agreement) or which is allocated to Contributors pursuant to Treasury Regulation Section 1.752-3(a), equal to \$500,000 in the aggregate (the "MAXIMUM AMOUNT").

5.2. LIMITATION ON DISPOSITION OBLIGATIONS. Notwithstanding the provisions of Section 5.1, the obligation of the UPREIT to undertake those activities set forth in Sections 5.1.1 and 5.1.2 hereof shall, in all events, be subject to, and otherwise interpreted consistent with, the REIT's fiduciary and statutory obligations to all partners (both present and future) in the UPREIT, and to its stockholders, both present and future.

5.3 LIQUIDATED DAMAGES. In the event of a failure by UPREIT to undertake the actions described in Section 5.1 during the Non-Taxable Disposition Period, UPREIT shall pay to the Contributors liquidated damages equal to the difference between (a) the actual Federal and state income taxes paid by the Contributors as a result of such disposition or reduction in indebtedness (the "Tax Payment") and (b) the present value, as of the date of the Tax Payment (computed using a discount rate equal to 8%), of such Tax Payment had it been paid by the Contributors on April 15, 2003. However, if the number of LP Units held by the Contributors as of the date of such breach is less than the number of LP Units issued at Closing, the liquidated damages shall be proportionately reduced. The parties recognize that damages to the Contributors due to such failure under Section 5.1 shall not be susceptible to calculation, and Contributors' sole remedy for such failure shall be to collect such liquidated damages as provided herein.

6. CLOSING.

6.1. TERMS. Except as otherwise provided in this Agreement, the closing of the transactions contemplated by this Agreement (the "CLOSING") shall take place on the date (the "CLOSING DATE") specified by UPREIT upon not less than three (3) business days prior notice to Contributors, provided that the Closing Date shall occur no later than fifteen (15) days after the end of the Inspection Period. The Closing shall take place at the offices of Miles & Stockbridge P.C., 10 Light Street, Baltimore, MD 21202, at such other place as may be mutually agreed upon by the parties, or in escrow at the offices of the Title Company if designated by UPREIT.

10

6.2. LOAN. At the option of Contributors, at any time after the Closing but prior to March 31, 2002, UPREIT shall make a loan to Contributors in an amount not to exceed an amount equal to the number of LP Units issued to Contributors multiplied by \$10.50 per Unit multiplied by 85% (the amount of such loan is referred to as the "Principal Sum"). The Principal Sum shall bear interest until paid at the fluctuating prime rate as listed in THE WALL STREET JOURNAL under "Money Rates." Such loan shall be secured by the LP Units issued by UPREIT to Contributors. Interest payments on the loan shall be paid monthly in arrears until maturity beginning on the first day of the first month after the date the loan is made. The loan shall mature one year and one day after the Closing Date. The loan documents evidencing the loan shall be subject to the approval of the Contributors and the UPREIT.

7. CONTRIBUTORS' DELIVERIES. Within seven (7) days after the execution of this Agreement by Contributors and UPREIT ("DOCUMENT DELIVERY DATE"), Contributors shall deliver or cause to be delivered to UPREIT the items listed on Exhibit M attached hereto ("CONTRIBUTORS' DELIVERIES").

8. INSPECTION PERIOD.

8.1. BASIC REAL PROPERTY INSPECTION. From and after Contract Date, at reasonable times and upon reasonable notice, UPREIT, its agents and representatives shall be entitled to conduct inspections of the Real Property, which will include the rights to: (i) enter upon the Land and Improvements to perform inspections and tests of any and all of the Real Property, including, but not limited to, inspection, evaluation and testing of the heating, ventilation and air-conditioning systems and all components thereof, all structural and mechanical systems within the Improvements, including, but not limited to, sprinkler systems, power lines and panels, air lines and compressors, automatic doors, tanks, pumps, plumbing and all equipment, vehicles, and Personal Property; (ii) examine and copy any and all Records; (iii) make investigations with regard to zoning, environmental (including, but not limited to, an environmental assessment as specified in Section 8.2, which includes, but is not limited to, an analysis of the presence of any asbestos, chlordane, formaldehyde or other Hazardous Material in, under or upon the Real Property, or any underground storage tanks on, or under, the Land), building, code, regulatory and other legal or governmental requirements; (iv) make or obtain market studies and real estate tax analyses; and (v) interview the tenants under any leases with respect to their current occupancies. Without limitation of the foregoing, UPREIT or its designated independent or other accountants may audit the Financial Statements (as defined in EXHIBIT E attached hereto), and Contributors shall supply such documentation as UPREIT or its accountants may reasonably request in order to complete such audit.

8.2. ENVIRONMENTAL ASSESSMENT. From and after Contract Date, at reasonable times and upon reasonable notice, UPREIT or UPREIT's agents shall have the right to employ one or more environmental consultants or other professionals to perform

11

or complete such environmental inspections and assessments of the Real Property as UPREIT deems necessary or desirable. UPREIT and its consultants shall also have the right to undertake or complete a technical review of all documentation, reports, plans, studies and information in possession or control of Contributors, or their past or present environmental consultants, concerning or in any way related to the environmental condition of the Real Property. In order to facilitate the assessments and technical review, Contributors shall extend their full cooperation (but without third party expense to Contributors, including but not limited to attorneys fees) to UPREIT and its environmental consultants, including, without limitation, providing access to all files and fully and completely answering all questions.

8.3. APPROVAL DATE. The "APPROVAL DATE" shall be forty-five (45) days after the later of (a) the Contract Date and (b) the receipt by UPREIT of all of the Contributors' Deliveries. UPREIT shall approve or disapprove the Contributors' Deliveries and all matters related thereto, the physical condition of the Real Property and any other matters relating to this transaction, in writing ("APPROVAL NOTICE") prior to 6:00 p.m. on the Approval Date. The determination as to whether or not the Contributors' Deliveries or the physical condition of the Real Property are acceptable or whether UPREIT desires to proceed with this transaction, shall be in UPREIT's sole and absolute discretion. If UPREIT fails to send an Approval Notice timely, either UPREIT or Contributors will have the right to terminate the Agreement by written notice to the other. However, UPREIT shall have three (3) business days after receipt of Contributors' termination notice to elect in writing to waive such contingency, in which event this Agreement will not be terminated and will remain in full force and effect. If the Agreement is terminated, the Deposit shall be returned to UPREIT and neither party shall have any further obligation to each other hereunder. Notwithstanding anything to the contrary herein, UPREIT may waive its rights hereunder at any time during the 45-day period referred to above and give its Approval Notice early. If this Agreement is terminated, UPREIT shall provide to the Contributors' copies of all reports obtained by UPREIT regarding the Real Property.

8.4. PRESS RELEASE. UPREIT shall have the right to issue a press release upon the consummation of the transactions contemplated hereby.

9. TITLE AND SURVEY MATTERS

9.1. TITLE. At the Closing, the Company shall have good and marketable title to the Real Property, insurable as such (at regular rates), free and clear of all liens, claims and encumbrances except for the Permitted Encumbrances (as hereinafter defined in Section 9.5(a)). From and after the date of this Agreement, Contributors shall not take any action, or fail to take any action, that would cause such Real Property to become subject to any exceptions or objections, other than the Permitted Encumbrances.

9.2. ALTA SURVEY. After the Contract Date, UPREIT at its cost shall promptly order a current as-built ALTA survey for the Real Property or update of the Company's existing as-built survey in accordance with ALTA requirements (the "Survey").

9.3. OBTAIN PTR. After the Contract Date, UPREIT at its cost shall promptly order a preliminary title report for the Real Property issued by the Title Company, together with copies of all instruments and documents referred to therein (the preliminary title report together with such other instruments are herein collectively referred to as the "PTR").

9.4. APPROVAL OF PTR AND SURVEY. UPREIT shall approve or disapprove in writing the matters set forth in or disclosed by the PTR by the Approval Date, subject to UPREIT's right to order continuation searches up to and including the Closing Date. The determination as to whether or not the PTR or any matter covered thereby or any update thereof is acceptable shall be in UPREIT's sole and absolute discretion.

9.5. BUYER'S DISAPPROVAL OF PTR.

(a) CONTRIBUTORS' RIGHT TO CURE. If UPREIT disapproves the PTR within the time period set forth in Section 9.4 hereof, UPREIT shall forward to Contributors a copy of the PTR simultaneously with its disapproval and Contributors shall have the right, within fifteen (15) days after written notice from UPREIT, to agree in writing to remove, correct or otherwise cure any disapproved items prior to the Closing, at Contributors' sole cost and expense, and, in such event, Contributors shall cause the same to be accomplished prior to the Closing. Notwithstanding the preceding sentence, Contributors shall not be required to remove (i) the lien arising from the Mercantile Loan Documents, (ii) those liens, easements and encumbrances appearing on the PTR which Buyer expressly agrees to assume or take subject pursuant to the terms of this Agreement and (iii) all matters of record that are not monetary liens (collectively the "Permitted Encumbrances"), but shall be required to remove all liens or encumbrances arising after the Approval Date and prior to the Closing.

(b) UPREIT'S RIGHTS. If Contributors do not give UPREIT written notice of Contributors' agreement to remove such disapproved items or if Contributors elect to cure, but do not cure the defect timely, then UPREIT shall have the right to elect to: (i) waive UPREIT's objection to the disapproved matters which Contributors do not undertake to remove, in which case the Contribution Consideration shall be reduced by any amounts paid by UPREIT to remove liens having a definite and ascertainable monetary value; or (ii) terminate this Agreement. Upon any such

termination of this Agreement, the Deposit shall be returned to UPREIT and neither party shall have any further liability to the other, except as otherwise provided herein.

9.6. TITLE A CONDITION PRECEDENT. It shall be a Condition Precedent that the marked-up PTR delivered on the Closing Date shall be in the form described in this Section 9 and have all standard and general printed exceptions deleted so as to afford full "extended form coverage," and shall further include an owner's comprehensive endorsement, an endorsement certifying that the bills for the real estate taxes pertaining to the Land and Improvements do not include taxes pertaining to any other real estate, an access endorsement, a contiguity endorsement, if applicable, a subdivision or plat act endorsement, a survey endorsement, a Fairway endorsement, non-imputation endorsement, a creditors' rights endorsement and any other customary commercially available endorsements. UPREIT shall bear the responsibility of the costs of all endorsements.

10. REPRESENTATIONS AND WARRANTIES AS TO THE REAL PROPERTY. Except as otherwise set forth in the Exhibits attached to this Agreement which set forth the exceptions to the representations and warranties contained in this Section 10 and certain other information called for by this Agreement, in order to induce UPREIT to enter into this Agreement, Contributors represent and warrant to UPREIT that the following matters are true and correct as of the Contract Date, and shall be true and correct as of the Closing Date, and further covenant as follows, each of which is material and shall survive the Closing, notwithstanding any investigation at any time made by or on behalf of UPREIT:

10.1. TITLE. The Company has good and marketable title to the Real Estate, insurable as such (at regular rates), free and clear of all mortgages and security interests (other than the Mercantile Indebtedness), leases, agreements and tenancies (other than the "LEASES" listed on EXHIBIT F), licenses, claims, options, options to purchase, liens, covenants, conditions, restrictions, rights-of-way, easements, judgments and other

matters affecting title to the Real Property, except for all encumbrances of record.

10.2. CONTRIBUTORS' DELIVERIES. All of Contributors' Deliveries listed on EXHIBIT M and all other items delivered by Contributors pursuant to this Agreement are true, accurate, correct and complete in all material respects, and fairly present the information set forth in a manner that is not misleading. The copies of all documents and other agreements delivered or furnished and made available by Contributors to UPREIT pursuant to this Agreement constitute all of and the only Leases and other agreements relating to or affecting the ownership and operation of the Real Property, there being no "side" or other agreements, written or oral, in force or effect, to which the Company is a party or to which the Real Property is subject.

14

10.3. DEFAULTS. The Company is not in default under any of the documents, recorded or unrecorded, nor have Contributors or the Company received any written notice alleging the existence of any such default.

10.4. CONTRACTS. There are no contracts of any kind relating to the management, leasing, operation, maintenance or repair of the Real Property, except those Contracts listed on EXHIBIT G attached hereto. The Company has performed all obligations required to be performed by it, and is not in default, under any of such Contracts. All the Contracts may, by the express terms thereof, be terminated without penalty or other payment by the Company (or its assignee or successor) upon no more than 30 days' prior notice.

10.5. PHYSICAL CONDITION. There is no existing patent or latent structural or other material physical defect in the condition of the Real Property, or any component or portion thereof, that would or could impair or impose costs upon the use, occupancy or operation of the Real Property, and that has not been fully corrected. There is no material defect in the Improvements, the structural elements thereof, the mechanical systems (including, without limitation, all HVAC Systems, plumbing, electrical, elevator, security, utility and sprinkler systems) therein, or the roof of the Building, nor has the Company nor any of the Contributors received any written notice from any tenant or any other party alleging the existence of any such material defect.

10.6. UTILITIES. All water, sewer, gas, electric, telephone, drainage and other utility equipment, facilities and services required by law or necessary for the operation of the Real Property as they are now being operated, and as required for operation of the Building, are installed and connected pursuant to valid permits, are adequate to service the Real Property, and, to Contributors' knowledge, are in good operating condition. No fact or condition exists, to Contributors' knowledge, that would or could result in the termination or impairment of the furnishing of service to the Real Property of water, sewer, gas, electric, telephone, drainage or other such utility services. The Company has paid all amounts owing for utility services as of the most recent billing period. The utility equipment servicing the Real Property is in material compliance with all applicable governmental laws, rules and regulations.

10.7. IMPROVEMENTS. The Improvements were completed and installed in substantial accordance with the Plans (as defined in EXHIBIT H attached hereto), which were approved by all Governmental Authorities having jurisdiction thereover, and do not violate any governmental laws, ordinances, rules or regulations.

10.8. EMPLOYEES. The Company does not employ any persons. With respect to the Real Property, neither the Company nor any affiliate of the Company are a party to, nor is the Real Property subject to, any collective bargaining or other agreement or understanding with any labor union, and neither the Company nor any affiliate of the

15

Company are privy to or involved in any labor or union controversy or other similar interaction of any kind.

10.9. COMPLIANCE WITH LAWS AND CODES. The Real Property, and the use and operation of any or all of them are (or the use and operation of any component, portion or area of the Real Property is) in material compliance with all applicable municipal and other governmental laws, ordinances, regulations, codes, licenses, permits and authorizations, and there are presently and validly in effect all licenses, permits and other authorizations necessary (including, without limitation, certificates of occupancy) for the use, occupancy and operation of the Real Property as they are presently being operated, whether required of the Company or a tenant. Without limiting the foregoing, the Real Property complies in all

material respects with all applicable requirements of the Americans With Disabilities Act of 1990 (42 U.S.C.A. ss.12101 et seq.). Contributors have no knowledge that any heating or other burning equipment located at or used in connection with the Real Property violates any law or regulation of any Governmental Authorities having jurisdiction over the Real Property. The Real Property is zoned by the municipality in which it is located so as to permit the uses and structures thereon, in a manner that accommodates and is compatible in all material respects with the Building and Improvements as they presently exist. The Real Property is not a non-conforming use or nonconforming structure under applicable present zoning laws. No zoning, subdivision, environmental, Hazardous Material, building code, health, fire, safety or other law, order or regulation is violated by the continued maintenance, operation or use of any Improvements or parking areas in or at the Real Property, and no notice of any such violation has been issued to the Company by any Governmental Authority having jurisdiction over the Real Property. All driveway entrances and exits to the Real Property are permanent and no special access or other permits are required to maintain same. All existing streets and other improvements, including water lines, sewer lines, sidewalks, curbing and streets at the Real Property have been, or will be, paid for prior to the Closing (to the extent due and owing as of the date thereof) and either enter the Real Property through adjoining public streets, or, if they enter through private lands, do so in accordance with valid, irrevocable easements running with the ownership of the Real Property.

10.10. LITIGATION. There are no pending or, to the best knowledge of Contributors, threatened judicial, municipal or administrative proceedings affecting Contributors, the Company or the Real Property, or in which Contributors, the Company is or will be a party by reason of the Company's ownership or operation of the Real Property or any portion thereof, including, without limitation, proceedings for or involving collections, condemnation, eminent domain, alleged building code or environmental or zoning violations, or personal injuries or property damage alleged to have occurred on the Real Property or by reason of the condition, use of, or operations on, the Real Property. No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are

16

pending against Contributors or the Company or, to the best knowledge of Contributors, threatened against Contributors or the Company, nor are any of such proceedings contemplated by Contributors.

10.11. INSURANCE. The Company now has in force customary and commercially reasonable amounts of property, liability and business interruption insurance relating to the Real Property from established and reputable insurers. The Company has not received any notice from any insurance carrier, nor are Contributors aware of, any defects or inadequacies in the Real Property that, if not corrected, would result in termination of insurance coverage or increase in the normal and customary cost thereof.

10.12. FINANCIAL INFORMATION. All Financial Statements delivered by Contributors accurately set forth the results of the operation of the Real Property for the periods covered. All of the Company's Records are complete, accurate, true and correct in all material respects. There has been no material adverse change in the financial condition or operation of the Real Property since the period covered by the Financial Statements.

10.13. RE-ZONING. There is not now pending, and Contributors have no knowledge of, any threatened proceeding for the re-zoning of the Real Property or any portion thereof, or the taking of any other action by governmental authorities that would have an adverse or material impact on the value of the Real Property or use thereof.

10.14. PERSONAL PROPERTY. The Personal Property listed in EXHIBIT B attached hereto is all of the personal property owned by the Company and used in (or necessary for) the operation of the Real Property. All such Personal Property is in good and operable condition and repair, and free of material defects.

10.15. REAL ESTATE TAXES. True and complete copies of the most recent real estate tax bills (the "TAX BILL(S)") for, and the only Tax Bills applicable to, the Real Property have been delivered to UPREIT. Neither the Contributors nor the Company has received notice of and do not have any actual knowledge of any proposed increase in the assessed valuation or rate of taxation of the Real Property from that reflected in the most recent Tax Bills. There is not now pending, and Company will not, without the prior written consent of UPREIT (which consent shall not be unreasonably withheld or delayed), institute prior to the Closing Date, any proceeding or application for a reduction in the real estate tax assessment of the Real Property or any other relief for any tax year. There are no outstanding agreements with attorneys or consultants with respect to the Tax Bills that

will be binding on UPREIT or the Real Property after the Closing. Other than the amounts disclosed by the Tax Bills, no other real estate taxes have been, or, to the best knowledge of Contributors, will be, assessed against the Real Property, or any portion thereof, in respect of the year 2000/2001 or any prior year, and no special

17

assessments of any kind (special, bond or otherwise) are or have been levied against the Real Property, or any portion thereof, that are or will be outstanding or unpaid at the Closing (to the extent due and owing as of the date thereof). The Company is not delinquent in the payment of any real estate taxes presently due and owing with respect to the Real Property.

10.16. EASEMENTS AND OTHER AGREEMENTS. The Company is not in default in complying with the terms and provisions of any of the covenants, conditions, restrictions, rights-of-way or easements constituting one or more of the Permitted Encumbrances.

10.17. LEASE CONTROVERSIES. No controversy, complaint, negotiation or renegotiation, proceeding, suit or litigation relating to any Lease is pending or, to the best knowledge of Contributors, threatened, whether in any tribunal or informally. The Contributors are and shall remain responsible after the Closing Date for defending (or continuing) any such suit, proceeding or other matter relating to periods prior to the Closing Date, and all damages, loss, expenses and costs related thereto.

10.18. SOIL CONDITION. To Contributors' knowledge, the soil condition of the Land is such that it will support all of the Improvements for the foreseeable life of the Improvements, without the need for unusual or new sub-surface excavations, fill, footings, caissons or other installations. The Improvements, as built, were constructed in a manner compatible with the soil condition at the time of construction, and all necessary excavations, fill, footings, caissons or other installations were then and have since been provided.

10.19. MERCANTILE LOAN DOCUMENTS AND MANEKIN LOAN DOCUMENTS. EXHIBIT C attached hereto sets forth a true, correct and complete listing of all of the promissory notes, mortgages and other loan documents evidencing or securing the Mercantile Indebtedness and the Manekin Indebtedness, and Contributors have delivered true, correct and complete copies of the Mercantile Loan Documents and the Manekin Loan Documents to UPREIT prior to the date hereof as part of Contributors' Deliveries. The Company has complied with (and, prior to the Closing, shall continue to comply with) the terms of, and all notices or correspondence received from the holder of the Mercantile Loan Documents and the Manekin Loan Documents. The Company has paid (and, at all times prior to the Closing, shall pay) all sums due under the Mercantile Loan Documents and the Manekin Loan Documents. The Mercantile Loan Documents and the Manekin Loan Documents are in full force and effect. The Company is not in default under the Mercantile Loan Documents and the Manekin Loan Documents, and there has not occurred any event which, with the giving of notice and/or the passage of time, or both, would constitute a default by the Company thereunder. The outstanding principal amount of the Mercantile Indebtedness and Manekin Indebtedness is accurately set forth on EXHIBIT C.

18

10.20. CONDEMNATION. The Contributors have no knowledge of any pending or contemplated condemnation or other governmental taking proceedings affecting all or any part of the Real Property.

10.21. DISCLOSURE. No representation or warranty made by the Contributors in this Agreement, and no Exhibit contained in this Agreement, contains any untrue statement of a material fact, or omits to state a material fact necessary in order to make the statements contained therein not misleading or necessary in order to provide a prospective owner of the Real Property with adequate information as to the Real Property and its management, operation, maintenance and repair. There is no fact known to Contributors which has, or which could reasonably have been foreseen by Contributors as likely to have, an adverse effect on the management, operation, maintenance and repair of the Real Property which has not been disclosed herein or in any Exhibit.

10.22. COMPANY LIABILITIES. Except for (i) the obligations and liabilities of the Company pursuant to the Mercantile Indebtedness and Manekin Indebtedness, and (ii) any accrued liabilities and obligations of the Company under the Leases and the Contracts or as otherwise disclosed in this Agreement or which are being adjusted at Closing pursuant to Section 16 of this Agreement, all of which shall not exceed \$100,000 and (iii) expenses incurred in the ordinary course of business of the operation of the Real Property as disclosed on the Company balance sheet as of Closing, the Company does not have any liabilities or obligations, either accrued,

absolute or contingent or otherwise. In addition, the Company has not received notice of any, and there is no basis for any, claim against (or liability of) the Company arising from the business done, transactions entered into or other events occurring prior to the Closing Date.

The representations and warranties in this Section 10 shall be deemed remade by Contributors as of the Closing Date with the same force and effect as if in fact specifically remade at that time.

11. REPRESENTATIONS AS TO SECURITIES AND OTHER MATTERS.

11.1. REPRESENTATIONS AND WARRANTIES OF CONTRIBUTORS. In order to induce UPREIT to enter into this Agreement and to issue the LP Units in consideration for the Interests, the Contributors make the following representations and warranties, each of which is material and shall survive the contribution hereof without limitation, notwithstanding any investigation at any time made by or on behalf of UPREIT.

11.1.1. AUTHORITY. The execution and delivery of this Agreement by Contributors, and the performance of this Agreement by Contributors, have been duly authorized by Contributors, and this Agreement is binding on Contributors and enforceable against them in accordance with its terms. Any required consent of any

19

creditor, investor, partner, shareholder, tenant-in-common, judicial or administrative body, Governmental Authority, or other governmental body or agency, or other party to such execution, delivery and performance by Contributors have been obtained, except for any consent required under the Mercantile Loan Documents. Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will (i) result in a breach of, default under, or acceleration of, any agreement (other than the Mercantile Loan Documents) to which Contributors or their shareholders or members is a party or by which Contributors or their shareholders or members are bound; or (ii) violate any restriction, court order, agreement or other legal obligation to which Contributors or their shareholders or members are subject.

11.1.2. COMPANY AND TAX-RELATED ISSUES.

11.1.2.1 The Partnership at all times has been, and upon conversion the Company shall be, properly treated as a partnership for federal income tax purposes and not as an "association" or "publicly traded partnership" taxable as a corporation.

11.1.2.2 No member of the Company or the Partnership has pledged or otherwise encumbered its membership interest or partnership interest in the Company or the Partnership.

11.1.2.3. The Company and the Partnership have filed or caused to be filed in a timely manner (within any applicable extension periods) all tax, information or other returns required to be filed by the Code or by applicable state, or local tax laws (collectively "TAX RETURNS"). Such Tax Returns are true, correct and complete in all respects; and all federal, state or local income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium unemployment, disability, personal property, sales, use, transfer, registration, estimated, or other tax of any kind whatsoever, including any interest, penalty or other addition thereto, whether disputed or not, (collectively, "TAXES") due, and Taxes due in respect of any person for which the Company and the Partnership had an obligation to withhold and/or otherwise pay over Taxes, have been timely paid in full or will be timely paid in full by the due date thereof (and whether or not shown on a Tax Return). With respect to any taxable year for which a statute of limitations (or similar provision) has not yet run, none of the Tax Returns of the Company or the Partnership have been audited by a government or taxing authority, nor is any such audit or other proceeding in process, pending, to Contributors' knowledge threatened (either in writing or verbally, formally or informally) or expected to be asserted with respect to Taxes (or collection of Taxes) of the Company or the Partnership, and neither the Company nor the Partnership has received notice (either in writing or verbally, formally or informally) or expect to receive notice that they have not filed a Tax Return or not paid Taxes required to be filed, withheld, or paid by it. The Company and the Partnership have disclosed on their federal income tax returns all

positions taken therein that could give rise to a substantial understatement penalty within the meaning of Code Section 6662. No claim has ever been made by an authority in a jurisdiction where the Company or Partnership do not file Tax Returns that they are or may be subject to taxation by that jurisdiction.

11.1.3. INTENTIONALLY DELETED

11.1.4. UNITED STATES PERSON. Contributors and each of their members, officers or directors is a "United States Person" within the meaning of Section 1445(f)(3) of the Code, as amended, and shall have executed and delivered an "Entity Transferor" certification at Closing.

11.1.5. INVESTMENT REPRESENTATION. Contributors represents that the LP Units are being acquired by them with the present intention of holding such LP Units for purposes of investment, and not with a view towards sale or any other distribution. Contributors recognize that they may be required to bear the economic risk of an investment in the LP Units for an indefinite period of time. Richard Alter, the sole owner of GP, and LP are both Accredited Investors. Richard Alter and LP have such knowledge and experience in financial and business matters so as to be fully capable of evaluating the merits and risks of an investment in the LP Units. No LP Units will be issued, delivered or distributed to any person or entity who either (i) is a resident of the State of California or New York or (ii) is other than an Accredited Investor with respect to whom there has been delivered to UPREIT satisfactory Investor Materials confirming the status of such person or entity as an Accredited Investor. Contributors have been furnished with the Informational Materials described in Section 4.2 above, and have read and reviewed the Informational Materials and understand the contents thereof. Contributors have been afforded the opportunity to ask questions of those persons they consider appropriate and to obtain any additional information they desire in respect of the LP Units and the business, operations, conditions (financial and otherwise) and current prospects of the UPREIT and REIT. Contributors have consulted their own financial, legal and tax advisors with respect to the economic, legal and tax consequences of delivery of the LP Units and have not relied on the Informational Materials, the UPREIT, the REIT or any of their officers, directors, affiliates or professional advisors for such advice as to such consequences.. Neither Contributors nor their members or shareholders require the consent of any Interest Holder in order to consummate the transactions contemplated by this Agreement including, without limitation, to amend any partnership agreement, operating agreement, charter or other governing document of Contributors, which has not been obtained. Richard Alter and LP are domiciled in the State of Maryland.

11.1.6 OWNERSHIP OF INTERESTS. Contributors own the Interests, free and clear of all liens, charges, encumbrances, restrictive agreements and assessments. UPREIT shall receive at Closing good and absolute title hereto, free of all

liens, charges, encumbrances, restrictive agreements and assessments whatsoever, at the Closing. There are no outstanding options, contracts, calls, commitments or demands of any nature relating to the Interests.

11.1.7 OWNER OF GP. Richard Alter is the sole owner of GP.

11.1.8 PARTNERSHIP AGREEMENT. The Partnership Agreement of Partnership and the form of Operating Agreement of the Company have been provided to UPREIT and there have been no further amendments thereto.

12. COVENANTS OF CONTRIBUTORS.

12.1. NEW LEASES. The Company shall not amend or terminate any Lease, nor shall Contributors execute any new lease, license, or other agreement affecting the ownership or operation of all or any portion of the Real Property or for personal property, equipment, or vehicles, without in each case UPREIT's prior written approval, which approval shall not be unreasonably withheld or delayed.

12.2. NEW CONTRACTS. The Company shall not enter into any contract with respect to the ownership and operation of all or any portion of the Real Property that will survive the Closing, or that would otherwise affect the use, operation or enjoyment of the Real Property, without UPREIT's prior written approval, which approval may be granted or denied in UPREIT's

sole discretion, except for service contracts entered into in the ordinary course of business that are terminable, without penalty, on not more than 30 days' notice, for which no approval shall be required.

12.3. INSURANCE. The insurance policies described in Section 10. 11 above shall remain continuously in force through and including the Closing Date.

12.4. OPERATION OF REAL PROPERTY. The Company shall or shall cause the Management Company (defined in Section 15.1.13) to operate and manage the Real Property consistent with prior practices, maintaining present services (including, but not limited to, pest control), and shall maintain the Real Property in good repair and working order; shall keep on hand sufficient materials, supplies, equipment and other Personal Property for the efficient operation and management of the Real Property consistent with prior practices; and shall perform, when due, all of the Company's obligations under the Mercantile Loan Documents and the Manekin Loan Documents, Leases, Contracts, and other agreements relating to the Real Property and otherwise in accordance with applicable laws, ordinances, rules and regulations affecting the Real Property. None of the Personal Property, fixtures or Inventory shall be removed from the Real Property, unless replaced by personal property, fixtures or inventory of equal or greater utility and value.

22

12.5. PRE-CLOSING EXPENSES. The Company has paid or will pay or cause to be paid in full, prior to the Closing, all bills and invoices received prior to the Closing Date for labor, goods, material and services of any kind relating to the Real Property and the Company and utility charges for the period prior to the Closing. Contributors shall pay to UPREIT promptly upon demand all bills and invoices received after the Closing Date for labor, goods, material and services of any kind relating to the Real Property and the Company and utility charges for the period prior to the Closing. Any alterations, installations, decorations and other work required to be performed by the Company under any and all agreements affecting the Real Property have been or will, by the Closing, be completed and paid for in full, except for the work on Building D to be completed as listed on Exhibit K.

12.6. NO ASSIGNMENT. After the Contract Date and prior to the Closing, the Company shall not assign, alienate, lien, encumber or otherwise transfer all or any part of the Real Property or any interest therein.

12.7. GOOD FAITH. All actions required pursuant to this Agreement that are necessary to effectuate the transaction contemplated herein will be taken promptly and in good faith by Contributors, and Contributors shall furnish UPREIT with such documents or further assurances as UPREIT may reasonably require.

12.8. AVAILABILITY OF RECORDS.

12.8.1. Upon UPREIT's reasonable request, for a period of two years after the Closing, the Contributors shall (i) make the Records available to UPREIT for inspection, copying and audit by UPREIT's designated accountants; and (ii) cooperate with UPREIT (without any third party expense to the Contributors, including but not limited to attorneys fees) in obtaining any and all permits, licenses, authorizations, and other Governmental Approvals necessary for the operation of the Real Property. Without limitation of the foregoing in this Section 12.9, the Contributors agree to abide by the terms of EXHIBIT J attached hereto. At any time before or within two years after the Closing, the Contributors further agree to provide to the UPREIT's designated independent auditor, upon the reasonable request of the UPREIT or such auditor, (x) access (to the same extent to which the UPREIT would be entitled to such access) to the books and records of the Real Property and all related information (including the information listed on EXHIBIT I) regarding the period for which the UPREIT is required to have the Real Property audited under the regulations of the SEC, and (y) a representation letter delivered by the Contributors regarding the books and records of the Real Property, in substantially the form as attached hereto as EXHIBIT J.

12.8.2. In addition, during such two year period Contributors (without any third party expense to the Contributors, including but not limited to attorneys fees) shall provide, and cooperate in all reasonable respects in providing,

23

UPREIT with copies of, or access to, such factual information as may be reasonably requested by UPREIT, and in the possession or control of Contributors, to enable the REIT to issue one or more press releases

concerning the transaction that is the subject of this Agreement, which press releases may be reviewed and commented on, but not approved, by Contributors, to file a Current Report on Form 8-K (as specified on EXHIBIT I attached hereto), if, as and when such filing may be required by the SEC and to make any other filings that may be required by any Governmental Authority. The obligation of Contributors to cooperate in providing UPREIT with such information for UPREIT to file its Current Report on Form 8-K shall survive the Closing.

12.9. CHANGE IN CONDITIONS. Contributors shall promptly notify UPREIT of any change in any condition with respect to the Real Property or of the occurrence of any event or circumstance that makes any representation or warranty of Contributors or the Company to UPREIT under this Agreement untrue or misleading, or any covenant of Contributors or the Company under this Agreement incapable or less likely of being performed, it being understood that Contributors' obligation to provide notice to UPREIT under this Section 12.9 shall in no way relieve Contributors of any liability for a breach by Contributors of any of its representations, warranties or covenants under this Agreement.

12.10. LLC STRUCTURE. Prior to the Closing Date, the Contributors shall cause the Partnership to convert into the Company such that Contributors are the sole members of the Company. The organizational documents for the Company (articles of organization and operating agreement) must be reviewed and approved by UPREIT prior to the conversion of the Partnership into the Company. Otherwise, there shall be no change to the composition of the owners of the Company.

12.11. CURE OF VIOLATIONS. On or before the Closing Date, Contributors shall exercise commercially reasonable efforts to cure (or escrow sufficient funds at the Closing with the Title Company to cure) all violation(s) of law, code, ordinance or regulation that are the subject of any written notice issued by a Governmental Authority with respect to the Real Property after the Contract Date.

13. ENVIRONMENTAL WARRANTIES AND AGREEMENTS.

13.1. DEFINITIONS. Unless the context otherwise requires:

13.1.1. "ENVIRONMENTAL LAW" OR "ENVIRONMENTAL LAWS" shall mean all applicable past, present or future federal, state and local statutes, regulations, directives, ordinances, rules, court orders, decrees, arbitration awards and the common law, which pertain to environmental matters, contamination of any type whatsoever or health and safety matters, as such have been amended, modified or supplemented from time to time (including all present and future amendments thereto and re-authorizations

24

thereof). Environmental Laws include, without limitation, those relating to: (i) the manufacture, processing, use, distribution, treatment, storage, disposal, generation or transportation of Hazardous Materials; (ii) air, soil, surface, subsurface, groundwater or noise pollution; (iii) Releases; (iv) protection of wildlife, endangered species, wetlands or natural resources; (v) Tanks; (vi) health and safety of employees and other persons; and (vii) notification requirements relating to the foregoing. Without limiting the above, Environmental Law also includes the following: (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. ss.ss.9601 ET SEQ.), as amended ("CERCLA"); (ii) the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (42 U.S.C. ss.ss.6901 ET SEQ.), as amended ("RCRA"); (iii) the Emergency Planning and Community Right to Know Act of 1986 (42 U.S.C. ss.ss.11001 ET SEQ.), as amended; (iv) the Clean Air Act (42 U.S.C. ss.ss.7401 ET SEQ.), as amended; (v) the Clean Water Act (33 U.S.C. ss.1251 ET SEQ.), as amended; (vi) the Toxic Substances Control Act (15 U.S.C.ss.2601 ET SEQ.), as amended; (vii) the Hazardous Materials Transportation Act (49 U.S.C. ss.ss.1801 ET SEQ.), as amended; (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. ss. 136 ET SEQ.), as amended; (ix) the Federal Safe Drinking Water Act (42 U.S.C. ss.300f ET SEQ.), as amended; (x) the Federal Radon and Indoor Air Quality Research Act (42 U.S.C. ss.7401 note, ET SEQ.), (xi) the Occupational Safety and Health Act (29 U.S.C.ss. 651 ET SEQ.), as amended; (xii) any state, county, municipal or local statutes, laws or ordinances similar or analogous to (including counterparts of) any of the statutes listed above; and (xiii) any rules, regulations, directives, orders or the like adopted pursuant to or implementing any of the above.

13.1.2. "ENVIRONMENTAL PERMIT" or "ENVIRONMENTAL PERMITS" shall mean licenses, certificates, permits, directives, requirements, registrations, government approvals, agreements, authorizations, and consents which are required under or are issued pursuant to an

Environmental Law or are otherwise required by Governmental Authorities.

13.1.3. "HAZARDOUS CONDITIONS" refers to the existence or presence of any Hazardous Materials on, in, under, or at, the Real Property (including air, soil and groundwater) or any portion of any of them, which are in excess of the quantities permitted under the Environmental Laws or which because of their concentration or physical, chemical or infectious characteristic otherwise violates Environmental Laws.

13.1.4. "HAZARDOUS MATERIAL" or "HAZARDOUS MATERIALS" shall mean any chemical, pollutant, contaminant, pesticide, petroleum or petroleum product or by product, radioactive substance, solid waste (hazardous or extremely hazardous), special, dangerous or toxic waste, substance, chemical or material regulated, listed, limited or prohibited under an Environmental Law, including without limitation: (i) friable or damaged asbestos, asbestos containing material, presumed asbestos-containing material, polychlorinated biphenyls ("PCBs"), solvents and waste oil; (ii) any "hazardous

25

substance" as defined under CERCLA; and (iii) any "hazardous waste" as defined under RCRA.

13.1.5. "RELEASE" means any spill, discharge, leak, migration, emission, escape, injection, dumping or other release or threatened release of any Hazardous Material into the environment, whether or not notification or reporting to any Governmental Authority was or is required. Release includes, without limitation, historical releases and the meaning of Release as defined under CERCLA.

13.1.6. "REMEDIAL ACTION" shall mean any and all corrective or remedial action, preventative measures, response, removal, transport, disposal, clean-up, abatement, treatment and monitoring of Hazardous Materials or Hazardous Conditions, whether voluntary or mandatory, and includes all studies, assessments, reports or investigations performed in connection therewith to determine if such actions are necessary or appropriate (including investigations performed to determine the progress or status of any such actions), all occurring on or after the Contract Date.

13.1.7. "REMEDIAL COSTS" shall include all costs, liabilities, expenses and fees incurred on or after the date of this Agreement in connection with Remedial Action, including but not limited to: (i) the fees of environmental consultants and contractors; (ii) reasonable attorneys' fees (including compensation for in-house and corporate counsel provided such compensation does not exceed customary rates for comparable services); (iii) the costs associated with the preparation of reports, and laboratory analysis (including charges for expedited results if reasonably necessary); (iv) regulatory, permitting and review fees; (v) costs of soil and/or water treatment (including groundwater monitoring) and/or transport and disposal; and (iv) the cost of supplies, equipment, material and utilities used in connection with Remedial Action.

13.1.8. "TANK" OR "TANKS" means above-ground and underground storage tanks, vessels and related equipment, including appurtenant pipes, lines and fixtures containing or previously containing any Hazardous Material or fraction thereof.

13.2. WARRANTIES. Contributors hereby represent and warrant, with respect to the Real Property, that the following matters are true and correct as of the Contract Date, in all material respects, and shall be true and correct as of the Closing Date, in all material respects:

13.2.1. Contributors have made available or delivered to UPREIT originals (or true, complete and accurate copies) of all of the documents in their possession, custody or control, which documents include and/or relate to:

26

(a) All approvals, plans, specifications, test borings, percolation tests, engineering studies, surveys or other environmental data concerning the Real Property;

(b) All permits (including Environmental Permits), approvals, registrations, Tank registration and/or closure documentation, certificates, applications, notices, orders, directives, legal pleadings, correspondence or other documents of any nature that Contributors, the Company any tenant of the

Company, any of the Company's predecessors-in-title or any tenant of the Company's predecessors-in-title have submitted to, or received from, any Governmental Authority regarding the Real Property and their use, compliance or non-compliance with Environmental Laws; and

(c) The results of any investigation of the Real Property including, but not limited to, Phase I or Phase II site assessments, asbestos inspection and/or removal reports, tests or investigations of soil or other substrate air, groundwater, surface water, or the building interior, and any testing or investigation results relating to the removal or abandonment of any Tanks from the Real Property.

UPREIT agrees not to disclose such documents to any third party if Closing does not occur.

13.2.2. The Real Property has been and continues to be owned and operated in material compliance with all Environmental Laws and Environmental Permits.

13.2.3. There have been no past and there are no pending or, to Contributors' knowledge, threatened: (i) claims, complaints, notices, correspondence or requests for information received by Contributors with respect to any violation or alleged violation of any Environmental Law or Environmental Permit or with respect to any corrective or remedial action for or cleanup of the Real Property or any portion thereof, and (ii) written correspondence, claims, complaints, notices, or requests for information from or to Contributors or the Company regarding any actual, potential or alleged liability or obligation under or violation of any Environmental Law or Environmental Permit with respect to the Real Property or any portion thereof.

13.2.4. There have been no Releases and there does not exist, to Contributors' knowledge, a threatened Release of a Hazardous Material on, in, under or at the Real Property or any portion thereof.

13.2.5. The Real Property is not listed or, to the actual knowledge of Contributors, proposed or nominated for listing on the National Priorities List pursuant

27

to CERCLA, the Comprehensive Environmental Response and Liability Information System or on any other similar list of sites under analogous state laws.

13.2.6. There are no Tanks at, on or under the Real Property. Neither Contributors nor the Company has removed, closed or abandoned any Tanks at the Real Property, and Contributors have no knowledge of the existence, abandonment, closure or removal of Tanks at the Real Property.

13.2.7. There are no PCBs or friable or damaged asbestos at the Real Property.

13.2.8. There has been no storage, treatment, disposal, generation, transportation or Release of any Hazardous Materials by Contributors or, to Contributors' actual knowledge, its predecessors in interest, or by any other person or entity for which Contributors are or may be held responsible, at, on, under, or about the Real Property (or any portion thereof) in violation of, or which could give rise to any claim, obligation or liability under, Environmental Laws.

The representations and warranties in this Section 13.2 shall be deemed remade by Contributors as of the Closing Date with the same force and effect as if in fact specifically remade at that time. Such representations and warranties are qualified by the fact that Contributors has restricted access to portions of the Real Property pursuant to the terms of the Leases.

14. ADDITIONAL CONDITIONS PRECEDENT TO CLOSING.

14.1. UPREIT'S ADDITIONAL CONDITIONS PRECEDENT. In addition to the other conditions enumerated in this Agreement, the following shall be UPREIT's Conditions Precedent:

14.1.1. PHYSICAL CONDITION. The physical condition of Real Property shall be substantially the same on the Closing Date as on the Contract Date, reasonable wear and tear excepted, unless the alteration of said physical condition is the result of Damage (as defined in Section 17). Without limiting the generality of the foregoing, the parties acknowledge

and agree that the failure by Contributors to cure any violation described in Section 12.11 shall be a failure of this condition precedent.

14.1.2. PENDING ACTIONS. At the Closing, there shall be no administrative agency, litigation or governmental proceeding of any kind whatsoever, pending or threatened with respect to the Company or the Real Property, (i) that, after the Closing, would, in UPREIT's sole and absolute discretion, materially and adversely affect the value or marketability of the Real Property or the ability of the Company to operate

28

the Real Property in the manner it is being operated on the Contract Date, or (ii) for the purpose of enjoining or preventing, or which question the validity or legality of, the transaction contemplated hereby.

14.1.3. FLOOD INSURANCE. As of the Closing Date, if the Real Property is located in a flood plain, UPREIT shall have obtained flood plain insurance in form and substance acceptable to UPREIT.

14.1.4. MERCANTILE INDEBTEDNESS. Contributors shall provide to UPREIT a letter from the holder of the Mercantile Loan Documents dated no earlier than two (2) days prior to the Closing Date (i) setting forth the amount of principal and interest outstanding on the Closing Date and confirming that there are no other amounts due thereunder, and (ii) stating that no default exists under any of the Mercantile Loan Documents. Such letter shall be referred to collectively as the "LENDER ESTOPPEL." Contributors shall reasonably cooperate with UPREIT in attempting to obtain such Lender Estoppel.

14.1.5. OWNERS. Contributors shall be the sole members of the Company.

14.1.6. BANKRUPTCY. As of the Closing Date, neither Contributors, the Company nor the Real Property shall be the subject of any bankruptcy proceeding.

14.1.7. REPRESENTATIONS AND WARRANTIES TRUE. The representations and warranties of Contributors contained in this Agreement shall be true and correct as of the Closing Date as though such representations and warranties were made on such date.

14.1.8. COVENANTS PERFORMED. All covenants of Contributors and the Company required to be performed on or prior to the Closing Date shall have been performed, in all material respects.

14.1.9. TENANT ESTOPPELS. UPREIT shall have received a tenant estoppel letter in substantially the form attached hereto as Exhibit L from all tenants at the Real Property occupying at least 95% of the leaseable space.

14.1.10. BUILDING D. No later than June 1, 2001, Contributors shall have completed the shell work on Building D located on the Real Property except for these items as listed on Exhibit K.

In the event all such conditions have not been satisfied at or prior to the Closing, UPREIT may elect to either waive the unsatisfied condition and proceed to Closing or terminate this Agreement, in which case the Deposit shall be returned to UPREIT and neither party shall have any further obligations hereunder.

29

15. CLOSING DELIVERIES.

15.1. CONTRIBUTORS' DELIVERIES. At the Closing (or such other times as may be specified below), Contributors shall deliver or cause to be delivered to UPREIT the following, each in form and substance reasonably acceptable to UPREIT and its counsel:

15.1.1. ASSIGNMENT OF MEMBERSHIP INTERESTS. An Assignment of Membership Interests executed by Contributors conveying the Interests to UPREIT free and clear of all liens, claims and encumbrances;

15.1.2. LENDER ESTOPPEL. The Lender Estoppel from the holder of the Mercantile Indebtedness in conformity with Section 14.1.4.

15.1.3. KEYS. Keys to all locks located at the Real Property;

15.1.4. AFFIDAVIT OF CONTRIBUTORS AND NON-IMPUTATION AFFIDAVIT. An Affidavit of Contributors (the form of which is attached as Exhibit N-1) as required by the Title Company in the State of Maryland as a condition to the deletion of the general exceptions of Schedule B, Section 2 of the PTR and a Non-Imputation Affidavit as required by the Title Company, executed by Contributors, and the form of which is

attached hereto as Exhibit N-2;

15.1.5. LETTER TO TENANTS. A letter executed by the Management Company addressed to each tenant, in form provided by UPREIT, directing payment of all rents accruing after the Closing Date to be made to UPREIT or at its direction;

15.1.6. ORIGINAL DOCUMENTS. To the extent not previously delivered to UPREIT, originals of the Leases and Contracts;

15.1.7. CLOSING STATEMENT. A closing statement conforming to the proration and other relevant provisions of this Agreement (the "CLOSING STATEMENT") duly executed by Contributors;

15.1.8. ENTITY TRANSFER CERTIFICATE. Entity transfer certifications confirming that each Contributor is a "United States Person" within the meaning of Section 1445 of the Code;

15.1.9. RENT ROLL. A Rent Roll, prepared as of the Closing Date, certified by Contributors to be true, complete and correct through the Closing Date;

30

15.1.10. PARTNERSHIP AGREEMENT. The amendment to the Partnership Agreement of UPREIT in connection with the admission of Contributors as additional limited partners receiving LP Units hereunder;

15.1.11. CLOSING CERTIFICATE. A certificate, signed by Contributors, certifying to the UPREIT that the representations and warranties of Contributors contained in this Agreement are true and correct as of the Closing Date and that all covenants required to be performed by Contributors prior to the Closing Date have been performed;

15.1.12. AMENDMENT TO OPERATING AGREEMENT. An amendment to the Operating Agreement of the Company pursuant to which UPREIT shall be admitted as sole member in the place of Contributors;

15.1.13. RELEASES. Release from Contributors and Manekin, LLC ("MANAGEMENT COMPANY") releasing the Company, UPREIT and REIT from all obligations or liabilities relating to the Company;

15.1.14. OPINION OF COUNSEL. An opinion of counsel for Contributors, in form and substance acceptable to UPREIT, regarding the Company and the Contributors;

15.1.15. RELEASE BY MANEKIN, LLC. A release executed by Manekin, LLC in favor of the Company and UPREIT of all claims in connection with the Manekin Indebtedness; and

15.1.16. OTHER. Such other documents and instruments as may reasonably be required by UPREIT (including, without limitation, those of Contributors' Deliveries in Contributors' possession or control that have not previously been delivered to UPREIT), its (or its underwriters' or lenders') counsel or the Title Company and that may be necessary to consummate the transaction that is the subject of this Agreement and to otherwise give effect to the agreements of the parties hereto.

After the Closing, Contributors shall execute and deliver to UPREIT such further documents and instruments as UPREIT shall reasonably request to effect this transaction and otherwise effect the agreements of the parties hereto.

15.2. UPREIT'S DELIVERIES. Unless previously delivered to Contributors, at the Closing (or such other times as may be specified below), UPREIT shall cause to be delivered to Contributors the following, each in form and substance reasonably acceptable to Contributors and UPREIT and their respective counsel:

31

15.2.1. AMENDMENT. The Partnership Amendment, duly executed by the REIT;

15.2.2. CLOSING STATEMENT. The Closing Statement, duly executed by the UPREIT.

16. PRORATIONS AND ADJUSTMENTS. The following shall be prorated and adjusted between Contributors and UPREIT as of the Closing Date, except as otherwise specified:

16.1. UPREIT and Contributors believe that no transfer and recording taxes or sales taxes shall be due by virtue of this transaction. If taxes are assessed, Contributors and UPREIT shall divide the cost of such taxes equally between them. Each party's respective obligations to pay or reimburse such taxes shall survive the Closing;

16.2. Water, electricity, sewer, gas, telephone and other utility charges shall be prorated based, to the extent practicable, on final meter readings and final invoices, or, in the event final readings and invoices are not available, based on the most currently available billing information, and re-prorated upon issuance of final utility bills;

16.3. Amounts paid or payable under any Contracts shall be prorated based, to the extent practicable, on final invoices, or, in the event final invoices are not available, based on the most currently available billing information, and re-prorated upon issuance of final invoices;

16.4. All real estate, personal property and ad valorem taxes applicable to the Real Property and levied with respect to tax year 2000/2001 shall be prorated as of the Closing Date (but not any delinquent charges or interest, all of which shall be paid by Contributors), utilizing the actual final Tax Bills. Prior to or at the Closing, the Company shall pay or have paid all Tax Bills that are due and payable prior to or on the Closing Date and shall furnish evidence of such payment to UPREIT and the Title Company. Each party's respective obligations to re-prorate real estate taxes shall survive the Closing;

16.5. All assessments, general or special, shall be prorated as of the Closing Date on a "due date" basis such that Contributors shall be responsible for any installments of assessments which are first due or payable prior to the Closing Date and UPREIT shall be responsible for any installments of assessments which are first due or payable on or after the Closing Date;

16.6. Commissions of leasing and rental agents for all leases entered into as of or prior to the Closing Date, whether with respect to base lease term, future expansions, renewals, or otherwise, shall be paid in full at or prior to the Closing by Contributors, without contribution or proration from UPREIT, except for the commission

32

in an amount not to exceed to \$30,000 payable to Manekin, LLC and KLNB, Inc. relating to the lease to Corvis Corporation for the period from the Closing through December 1, 2001;

16.7. All base rents and other charges, including, without limitation, all additional rent, shall be prorated as of the Closing Date. At the time(s) of final calculation and collection from tenants of additional rent for 2001, there shall be a re-proration between Contributors and UPREIT as to additional rent adjustments, with such re-prorations being payable to the appropriate recipient in cash. Such re-proration shall be paid upon UPREIT's presentation of its final accounting to Contributors, certified as to accuracy by UPREIT. The parties' respective obligations to re-prorate additional rent shall survive the Closing. At the Closing, no "Delinquent Rents" (rents or other charges that are due as of the Closing) shall be prorated in favor of Contributors or the UPREIT. All rents and other charges received by (or for the benefit of) the Company from tenants after the Closing shall be first applied against obligations owed to, or for the benefit of, the Company with respect to those obligations accruing subsequent to the Closing Date, and any excess shall be delivered to Contributors, but only to the extent of amounts in default and owed to, and for the benefit of, the Company for the period prior to the Closing Date. In no event, however, shall any sums be paid to Contributors to the extent Contributors have been previously reimbursed for such default out of any security deposit and security deposits have been appropriately prorated hereunder;

16.8. Distributions in respect of the LP Units acquired by the Contributors shall begin to accrue from and after the Closing Date (notwithstanding the fact that such date may not be the applicable Record Date under the Partnership Agreement), and the amount of distributions paid or to be paid to the Contributors for any quarter shall be prorated accordingly;

16.9. Such other items that are customarily prorated in transactions of this nature shall be ratably prorated; and

16.10. The Contribution Consideration shall be reduced by all accrued or unpaid liabilities of the Company, other than the Mercantile Indebtedness and Manekin Indebtedness.

For purposes of calculating prorations, UPREIT shall be deemed to be in title to the Interests, and therefore entitled to the income therefrom and

responsible for the expenses thereof, for the entire Closing Date. All such prorrations shall be made on the basis of the actual number of days of the year and month that shall have elapsed as of the Closing Date. Bills received after the Closing Date that relate to expenses incurred, services performed or other amounts allocable to the period prior to the Closing Date shall be paid, in cash, by Contributors, to the extent due and owing. Bills received by Contributors after the Closing Date that relate to expenses incurred, services performed or other

33

amounts allocable to the period on or after the Closing Date, shall be paid, in cash, by the Company, to the extent due and owing.

17. DESTRUCTION, LOSS OR DIMINUTION OF REAL PROPERTY. If, prior to the Closing, all or any portion of the Real Property is damaged by fire or other natural casualty (collectively, "DAMAGE"), or is taken or made subject to condemnation, eminent domain or other governmental acquisition proceedings (collectively, "EMINENT DOMAIN"), then the following procedures shall apply:

17.1. If the aggregate cost of repair or replacement in connection with any Damage at the Real Property or the value of the Eminent Domain (collectively, "REPAIR AND/OR REPLACEMENT") is \$500,000 or less, UPREIT shall close and take the Interests in question subject to a reduction in the Contribution Consideration otherwise due at the Closing in the full amount of the cost of repair and/or replacement, and the Contributors shall be assigned from the Company all insurance proceeds relating thereto up to \$500,000. The deductible shall be paid by Contributors.

17.2. If the aggregate cost of repair and/or replacement at the Real Property is greater than \$500,000, then UPREIT, in its sole and absolute discretion, may elect any of the following options: (i) UPREIT may terminate this Agreement by written notice to Contributors, the Deposit shall be returned to UPREIT and neither party shall have any further liability to the other under this Agreement, except as otherwise provided herein; or (ii) UPREIT may proceed to close on the Interests, in which case the Company shall be entitled to all insurance proceeds but the Contribution Consideration shall be reduced by the deductible applicable to such insurance policy.

18. DEFAULT; INDEMNITY.

18.1. DEFAULT BY CONTRIBUTORS. If (i) any of Contributors' representations and warranties contained herein shall not be true and correct, (ii) Contributors fail to perform any of the covenants and agreements contained herein to be performed by Contributors within the time for performance as specified herein (including Contributors' obligation to close), or (iii) any of the UPREIT's Conditions Precedent shall not have been satisfied as of the Closing Date, then UPREIT may elect either to (x) terminate this Agreement by written notice to Contributors in which case the Deposit shall be returned to UPREIT, or (y) close and, except in the case of clause (iii) above, file an action for either or both of specific performance and damages to compel Contributors to cure all or any of such default(s), in whole or in part, whereupon UPREIT shall be entitled to deduct from the Contribution Consideration, the cost of such action and cure, and all reasonable expenses incurred by UPREIT in connection therewith, including, but not limited to, reasonable attorneys' fees. Notwithstanding anything to the contrary herein and in addition to any other remedies of UPREIT, UPREIT shall be entitled to recover actual

34

(but not consequential) damages suffered by UPREIT by reason of Contributors' defaults hereunder, including UPREIT's Reasonable Costs.

18.2. DEFAULT BY UPREIT. In the event UPREIT defaults in its obligations to acquire the Interests, then Contributors' sole and exclusive remedy shall be to terminate this Agreement and retain the Deposit as liquidated damages. Contributors shall have no other remedy for any default by UPREIT. UPREIT and Contributors acknowledge that the damages to the Contributors resulting from UPREIT's breach would be difficult, if not impossible, to ascertain with any accuracy, and that the liquidated damages amount set for in this Section 18.2 represents both parties' best efforts to approximate such potential damages.

18.3. INDEMNIFICATION.

18.3.1. THE REIT AND THE UPREIT. Contributors agree to and do hereby indemnify, defend and hold harmless REIT, UPREIT and the Indemnified Parties from and against any and all Losses arising out of, by virtue of or related in any way to, a breach of any representation, warranty or covenant of Contributors set forth in this

Agreement, or any liabilities, obligations or expenses of the Company (other than the Mercantile Indebtedness and the Manekin Indebtedness) accruing prior to Closing whether discovered before or after the Closing.

18.3.2. CONTRIBUTORS. UPREIT agrees to and does hereby indemnify, defend and hold harmless Contributors from and against any and all Losses (but not consequential damages) arising out of, by virtue of or related in any way to, a breach of any representation, warranty or covenant of UPREIT set forth in this Agreement, whether discovered before or after the Closing.

19. SUCCESSORS AND ASSIGNS. The terms, conditions and covenants of this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective nominees, successors, beneficiaries and assigns; provided, however, no direct or indirect conveyance, assignment or transfer of any interest whatsoever of, in or to the Real Property, the Interests or of this Agreement shall be made by Contributors during the term of this Agreement. UPREIT may assign all rights in or to the Real Property, the Interests or this Agreement to a single member limited liability company in which its single member is the UPREIT.

20. LITIGATION. In the event of litigation between the parties with respect to the Real Property, the Interests this Agreement, the performance of their respective obligations hereunder or the effect of a termination under this Agreement, the losing party shall pay all costs and expenses incurred by the prevailing party in connection with such litigation, including, but not limited to, reasonable attorneys' fees of counsel selected by the prevailing party.

35

21. NOTICES. All notices to be provided hereunder shall be in writing and directed as follows:

Contributors:	c/o Manekin, LLC 7061 Columbia Gateway Drive Columbia, Maryland 21046 Attn: President Telephone: (410) 290-1440 Facsimile: (410) 290-1494
With a copy to:	Lonnie M. Ritzer, Esquire Shapiro Sher & Guinot 36 South Charles Street, 20th Floor Baltimore, Maryland 21201 Telephone: (410) 385-4221 Facsimile: (410) 539-7611
UPREIT:	Corporate Office Properties Trust 8815 Centre Park Drive Suite 400 Columbia, MD 21045 Attn: John Harris Gurley, Esquire Telephone: (410) 992-7247 Facsimile: (410) 992-7534
With a copy to its attorney:	Miles & Stockbridge P.C. 10 Light Street Baltimore, MD 21202 Attention: Richard E. Levine Telephone: (410) 385-3536 Facsimile: (410) 385-3700

Notices be deemed properly delivered and received when and if either (i) personally delivered, including via facsimile; or (ii) on the first business day after deposit with a commercial overnight courier for delivery on the next business day. Any party may change its address for delivery of notices by properly notifying the others pursuant to this Section 21.

22. BENEFIT. This Agreement is for the benefit only of the parties hereto and their nominees, successors, beneficiaries and assignees as permitted in Section 19 above

36

and no other person or entity be entitled to rely hereon, receive any benefit here from or enforce against any party hereto any provision hereof.

23. LIMITATION OF LIABILITY. All liabilities and obligations of UPREIT under this Agreement be those of UPREIT only. Contributors shall not, under this Agreement or any circumstances, look to any person or entity other than UPREIT,

including, but not limited to, any Affiliate of UPREIT, for performance or satisfaction of UPREIT's obligations and liabilities in connection with this Agreement. Without limiting the foregoing, none of the REIT or any Affiliate of UPREIT or their respective members, partners and shareholders incur any liability under this Agreement or any document or agreement required in connection with this Agreement, and UPREIT not be required (in connection with this Agreement) to execute any document or agreements that does not expressly exculpate and release such parties and their respective successors, assigns, affiliates, officers, shareholders, partners, employees, agents and representatives from any liability or obligation arising out of, or in connection with, this Agreement. Except as otherwise specifically provided in this Agreement, none of the REIT and UPREIT shall assume or discharge any debts, obligations, liabilities or commitments of Contributors or the Company, fixed or contingent, known or unknown.

24. BROKERAGE. UPREIT and Contributors each represents to the other that it has not dealt with any broker or agent in connection with this transaction. Each party hereby indemnifies and holds harmless the other party from all loss, cost and expense (including reasonable attorneys' fees) arising out of a breach of its representation or undertaking set forth in this Section 24.

25. REASONABLE EFFORTS. Contributors shall use their reasonable, diligent and good faith efforts, to perform as may be necessary or otherwise reasonably requested by UPREIT to effectuate the Exchange, and to otherwise carry out the purposes of this Agreement.

26. MISCELLANEOUS.

26.1. ENTIRE AGREEMENT. This Agreement constitutes the entire understanding between the parties with respect to the transaction contemplated herein, and all prior or contemporaneous oral agreements, understandings, representations and statements, and all prior written agreements, understandings, letters of intent and proposals are merged into this Agreement. Neither this Agreement nor any provisions hereof may be waived, modified, amended, discharged or terminated except by an instrument in writing signed by the party against which the enforcement of such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such instrument.

37

26.2. CONSTRUCTION. This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the parties, it being recognized that both Contributors and UPREIT have contributed substantially and materially to the preparation of this Agreement. The headings of various Sections in this Agreement are for convenience only, and are not to be utilized in construing the content or meaning of the substantive provisions hereof.

26.3. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Maryland.

26.4. PARTIAL INVALIDITY. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or enforceability of any one provision shall not affect the validity of enforceability of any other provision hereof.

26.5. EXPENSES. Except to the extent as otherwise expressly provided to the contrary herein, UPREIT and Contributors shall bear its own respective costs and expenses relating to the transactions contemplated hereby, including, without limitation, fees and expenses of legal counsel or other representatives for the services used, hired or connected with the proposed transactions mentioned above.

26.6. COUNTERPARTS. This Agreement may be executed in any number of identical counterparts, any of which may contain the signatures of less than all parties, and all of which together shall constitute a single agreement.

26.7. BINDING EFFECT. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors.

26.8. FURTHER ASSURANCES. Contributors agree to execute and acknowledge and deliver any further agreements, documents or instruments that are necessary or desirable in the judgment of UPREIT to carry out the transactions contemplated hereby.

26.9 SURVIVAL. All representations, warranties, covenants and indemnities contained herein shall survive the Closing.

26.10. ESCROW PROVISIONS. The Title Company shall hold the Deposit in accordance with the terms and provisions of this Agreement, subject to the following:

26.10.1. OBLIGATIONS. The Title Company undertakes to perform only such duties as are expressly set forth in this Agreement and no implied duties or obligations be read into this Agreement against the Title Company.

38

26.10.2. RELIANCE. The Title Company may act in reliance upon any writing or instrument or signature which it, in good faith, believes, and any statement or assertion contained in such writing or instrument, and may assume that any person purporting to give any writing, notice, advice or instrument in connection with the provisions of this Agreement has been duly authorized to do so. The Title Company shall not be liable in any manner for the sufficiency or correctness as to form, manner and execution, or validity of any instrument deposited in escrow, nor as to the identity, authority, or right of any person executing the same, and the Title Company's duties under this Agreement be limited to those provided in this Agreement.

26.10.3. DISPUTES. If the parties (including the Title Company) are in disagreement about the interpretation of this Agreement, or about their respective rights and obligations, or the propriety of any action contemplated by the Title Company, or the application of the Deposit, the Title Company shall hold the Deposit until the receipt of written instructions from both the UPREIT and the Contributors or a final order of a court of competent jurisdiction. In addition, in any such event, the Title Company may, but not be required to, file an action in interpleader to resolve the disagreement. The Title Company shall be indemnified for all costs and reasonable attorneys' fees in its capacity as the Title Company in connection with any such interpleader action and shall be fully protected in suspending all or part of its activities under this Agreement until a final judgment in the interpleader action is received.

39

IN WITNESS WHEREOF, the parties hereto have executed this Contribution Agreement the day and year first above written.

CONTRIBUTORS:
MANEKIN INVESTMENT ASSOCIATES 3
LLC, a Maryland limited liability company

By: /s/ Louis C. LaPenna (SEAL)

Louis C. LaPenna
Authorized Person

RA & DM, INC.

By: /s/ Louis C. LaPenna (SEAL)

Louis C. LaPenna
Vice President

UPREIT:

CORPORATE OFFICE PROPERTIES, L.P.

By: Corporate Office Properties Trust,
Its general partner

By: /s/ Roger A. Waesche, Jr. (SEAL)

Name: Roger A. Waesche, Jr.
Title: Senior Vice President

40

CORPORATE OFFICE PROPERTIES TRUST AND SUBSIDIARIES
RATIO OF EARNINGS TO FIXED CHARGES

EXHIBIT 99.3

<Table>
<Caption>

	For the Six Months Ended June 30, 2001	For the Year Ended December 31,				
	2001	2000	1999	1998	1997	1996
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net Income	8,807	15,134	15,083	4,696	(967)	293
Add:						
Minority interest -- common units	3,426	6,348	3,457	1,171	65	--
Combined fixed charges & preferred share dividends (per below)	22,456	41,767	29,767	16,446	3,639	1,259
Less:						
Capitalized interest (per below)	(1,933)	(3,889)	(1,510)	(77)	--	--
Preferred Share Dividends included in fixed charges	(2,494)	(3,802)	(2,854)	(327)	--	--
TOTAL EARNINGS	30,262	55,558	43,943	21,909	2,737	1,552
COMBINED FIXED CHARGES & PREFERRED SHARE DIVIDENDS:						
Interest	15,956	30,454	21,808	12,207	2,855	1,246
Capitalized interest	1,933	3,889	1,510	77	--	--
Amortization of deferred issuance cost	929	1,382	975	423	64	13
Preferred Share dividends	2,494	3,802	2,854	327	--	--
Series C & Initial Preferred Unit distributions	1,144	2,240	2,620	3,412	720	--
	22,456	41,767	29,767	16,446	3,639	1,259
Ratio of earnings to combined fixed charges and Preferred Share dividends	1.35	1.33	1.48	1.33	0.75	1.23
Deficiency of earnings	N/A	N/A	N/A	N/A	(902) (1)	N/A

(1) During the year ended December 31, 1997, the Company's net income included a non-recurring expense of \$1,353 associated with the termination of an advisory agreement. As a result, earnings were inadequate to cover fixed charges by approximately \$902 in the year ended December 31, 1997.