

**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): May 31, 2002

CORPORATE OFFICE PROPERTIES TRUST

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation)

0-20047
(Commission
File Number)

23-2947217
(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

7000 Columbia Gateway Drive

On May 31, 2002, Corporate Office Properties Trust (the "Company"), through an affiliate of Corporate Office Properties, L.P. (the "Operating Partnership"), acquired a 145,806 square foot office building located in Columbia, Maryland ("7000 Columbia Gateway Drive").

7000 Columbia Gateway Drive was acquired for an aggregate cost to the Company of \$16.2 million, including transaction costs. The Company paid the purchase price and transaction costs using \$15.8 million in borrowings under its existing secured revolving credit facility with Bankers Trust Company (the "Revolving Credit Facility") and cash reserves for the balance.

The following schedule sets forth certain information relating to 7000 Columbia Gateway Drive as of October 31, 2002:

Property Location	Year Built	Rentable Square Feet	Occupancy ⁽¹⁾	Total Rental Revenue ⁽²⁾	Total Rental Revenue per Occupied Square Foot ⁽³⁾	Major Tenants (10% or more of Rentable Square Feet)	Year of Lease Expiration
7000 Columbia Gateway Dr.	1999	145,806	100.0%	\$ 1,334,125	\$ 9.15	Honeywell International (100.0%)	2006

(1) This percentage is based on all leases in effect as of October 31, 2002.

(2) Total rental revenue is the monthly contractual base rent as of October 31, 2002 multiplied by 12 plus the estimated annualized expense reimbursements under existing leases.

(3) This represents the property's total rental revenue divided by its occupied square feet as of October 31, 2002.

11800 Tech Road

On August 1, 2002, the Company, through an affiliate of the Operating Partnership, acquired a 235,866 square foot office building located in Silver Spring, Maryland ("11800 Tech Road").

11800 Tech Road was acquired for an aggregate cost to the Company of \$27.2 million, including transaction costs. The Company paid the purchase price and transaction costs using borrowings from two mortgage loans.

Property Location	Year Built	Rentable Square Feet	Occupancy ⁽¹⁾	Total Rental Revenue ⁽²⁾	Total Rental Revenue per Occupied Square Foot ⁽³⁾	Major Tenants (10% or more of Rentable Square Feet)
11800 Tech Road	1969	235,866	100.0%	\$ 3,589,181	\$ 15.22	Comcast Corporation (41.9%) Kaiser Foundation Health Plan (16.6%) BioCore Medical Technologies (13.5%) Holy Cross Hospital of Silver Spring (12.2%) United States Government (10.6%)

- (1) This percentage is based on all leases in effect as of October 31, 2002.
- (2) Total rental revenue is the monthly contractual base rent as of October 31, 2002 multiplied by 12 plus the estimated annualized expense reimbursements under existing leases.
- (3) This represents the property's total rental revenue divided by its occupied square feet as of October 31, 2002.

The following schedule sets forth annual lease expirations for 11800 Tech Road as of October 31, 2002 assuming that none of the tenants exercise renewal options:

Year of Lease Expiration	Number of Leases Expiring	Square Footage of Leases Expiring	Percentage of Total Occupied Square Feet	Total Rental Revenue of Expiring Office Leases ⁽¹⁾	Percentage of Total Office Rental Revenue Expiring ⁽¹⁾	Total Rental Revenue of Expiring Leases Per Occupied Square Foot ⁽¹⁾
(in thousands)						
2005	2	31,898	13.5%	\$ 502	14.0%	\$ 15.74
2006	—	—	0.0%	—	0.0%	—
2007	1	39,182	16.6%	652	18.2%	16.64
2008	—	—	0.0%	—	0.0%	—
2009	2	127,763	54.2%	2,030	56.6%	15.89
2010	1	25,033	10.6%	291	8.0%	11.63
2011	—	—	0.0%	—	0.0%	—
2012	1	11,990	5.1%	114	3.2%	9.48
Total/Weighted Avg.	7	235,866	100.0%	\$ 3,589	100.0%	\$ 15.46

- (1) Total rental revenue is the monthly contractual base rent as of October 31, 2002 multiplied by 12 plus the estimated annualized expense reimbursements under existing leases.

15049 and 15059 Conference Center Drive

On August 14, 2002, the Company, through an affiliate of the Operating Partnership, acquired two office buildings totaling 290,245 square feet located in the Westfields Corporate Center in Chantilly, Virginia ("15049 and 15059 Conference Center Drive").

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15049 and 15059 Conference Center Drive were acquired for an aggregate cost to the Company of \$47.4 million, including transaction costs. The Company paid the purchase price and transaction costs using \$30.9 million in borrowings under the Revolving Credit Facility and \$16.5 million in borrowings from two mortgage loans.

The following schedule sets forth certain information relating to 15049 and 15059 Conference Center Drive as of October 31, 2002:

Property Locations	Year Built/Renovated	Rentable Square Feet	Occupancy ⁽¹⁾	Total Rental Revenue ⁽²⁾	Percentage of Total Rental Revenue of Occupied Sq. Ft. ⁽³⁾	Total Rental Revenue per Occupied Square Foot ⁽⁴⁾	Major Tenants (10% or more of Rentable Square Feet)
15049 Conference Center Drive	1997	145,053	100.0%	\$ 3,753,671	51%	\$ 25.88	The Aerospace Corporation (92%)
15059 Conference Center Drive	2000	145,192	92.6%	3,544,862	49%	26.37	The Boeing Corporation (55%) Booz•Allen & Hamilton (18%)
Total/Average		290,245	96.3%	\$ 7,298,533	100%	\$ 26.11	

- (1) This percentage is based on all leases in effect as of October 31, 2002.
- (2) Total rental revenue is the monthly contractual base rent as of October 31, 2002 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 15049 and 15059 Conference Center Drive.
- (4) This represents the property's total rental revenue divided by the property's occupied square feet as of October 31, 2002.

The following schedule sets forth annual lease expirations for 15049 and 15059 Conference Center Drive as of October 31, 2002 assuming that none of the tenants exercise renewal options:

Year of Lease Expiration	Number of Leases Expiring	Square Footage of Leases Expiring	Percentage of Total Occupied Square Feet	Total Rental Revenue of Expiring Office Leases ⁽¹⁾	Percentage of Total Office Rental Revenue Expiring ⁽¹⁾	Total Rental Revenue of Expiring Leases Per Occupied Square Foot ⁽¹⁾
(in thousands)						
11/1/02-12/31/02	1	1,000	0.4%	—	0.0%	—
2003	—	—	0.0%	—	0.0%	—
2004	—	—	0.0%	—	0.0%	—
2005	1	6,037	2.1%	164	2.2%	27.16
2006	2	10,395	3.7%	329	4.5%	31.66
2007	3	22,610	8.1%	604	8.3%	26.73
2008	1	25,577	9.2%	674	9.2%	26.36
2009	—	—	0.0%	—	0.0%	—
2010	1	54,255	19.4%	1,424	19.5%	26.24
2011	1	25,577	9.2%	658	9.0%	25.71
2012	1	133,691	47.9%	3,446	47.3%	25.77
Total/Weighted Avg.	11	279,142	100.0%	\$ 7,299	100.0%	\$ 26.29

(1) Total rental revenue is the monthly contractual base rent as of October 31, 2002 multiplied by 12 plus the estimated annualized expense reimbursements under existing leases.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(a) Financial Statements of Business Acquired

The financial statements of 7000 Columbia Gateway Drive, 11800 Tech Road and 15049 and 15059 Conference Center Drive are included herein. See pages F-13 through F-26.

(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

Exhibit Number	Description
99.1	Contract for Purchase and Sale, dated April 29, 2002, between Allianz Life Insurance Company of North America and COPT Acquisitions, Inc.
99.2	Sale Contract, dated June 7, 2002, between 11800 Tech Road Investors LLC and COPT Acquisitions, Inc.
99.3	Agreement of Purchase and Sale, dated July 24, 2002, between TRC Westfields I LLC, TRC Westfields II LLC, TRC Westfields III LLC and COPT Acquisitions, Inc.

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: December 16, 2002

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

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**CORPORATE OFFICE PROPERTIES TRUST
PRO FORMA CONDENSED CONSOLIDATING FINANCIAL INFORMATION**

Set forth below are the unaudited pro forma condensed consolidating balance sheet as of September 30, 2002, and the unaudited pro forma condensed consolidating statements of operations for the year ended December 31, 2001 and the nine month period ended September 30, 2002, 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 September 30, 2002, for balance sheet purposes, and January 1, 2001, for purposes of the statements of operations:

2001 Transactions

The transactions set forth below are collectively referred to herein as the "2001 Transactions."

- The acquisition on May 14, 2001 of two office buildings in Columbia, Maryland (the "State Farm Properties") for \$13,259,000 using \$12,915,000 in proceeds from the Company's revolving credit facility with Bankers Trust Company (the "Revolving Credit Facility").
- The disposition on June 18, 2001 of an office building located in Cranbury, New Jersey ("19 Commerce Drive") for \$11,525,000, of which \$7,000,000 was used to repay a mortgage loan on the property, \$728,000 to pay other settlement and sales costs and the balance applied to cash reserves.
- The acquisition during 2001 of six office buildings in Linthicum, Maryland (the "Airport Square Properties") for \$45,337,000 using \$24,077,000 in proceeds from two mortgage loans, \$13,200,000 in proceeds from the Revolving Credit Facility and cash reserves for the balance.
- The acquisition on August 30, 2001 of four office buildings in Columbia, Maryland (the "Gateway 63 Properties") for \$23,866,000 using \$15,750,000 in proceeds from an assumed mortgage loan, \$4,295,000 in proceeds from the Revolving Credit Facility, issuing 310,342 common units in the Operating Partnership valued at \$3,259,000 to the seller and cash reserves for the balance.
- The acquisition on November 30, 2001 of an office building and contiguous 17 acre land parcel located in Chantilly, Virginia (the "Washington Technology Park") for \$58,968,000 using \$32,078,000 in borrowings under the Revolving Credit Facility, proceeds from a new \$25,000,000 mortgage loan and cash reserves for the balance.
- The issuance of the following preferred shares of beneficial interest (collectively referred to herein as the "2001 Preferred Share Issuances"):

- 544,000 Series D Cumulative Convertible Redeemable Preferred Shares of beneficial interest ("Series D Preferred Shares") on January 25, 2001 for net proceeds of \$11,892,000, of which \$8,245,000 was used to pay down the Revolving Credit Facility.
- 1,150,000 Series E Cumulative Redeemable Preferred Shares of beneficial interest ("Series E Preferred Shares") on April 6, 2001 for net proceeds of \$26,905,000, all of which was used to pay down the Revolving Credit Facility.
- 1,425,000 Series F Cumulative Redeemable Preferred Shares of beneficial interest ("Series F Preferred Shares") on September 13, 2001 for net proceeds of \$33,562,000, of which \$31,200,000 was used to pay down the Revolving Credit Facility.

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2002 Transactions

The transactions set forth below are collectively referred to herein as the "2002 Transactions."

- The acquisition on April 4, 2002 of an office building in Hanover, Maryland ("7320 Parkway Drive") for \$4,957,000 using proceeds from the Revolving Credit Facility.
- The acquisition on April 4, 2002 of an office building in Columbia, Maryland ("Rivers 95") for \$11,564,000 using \$10,214,000 in borrowings under the Revolving Credit Facility and cash reserves for the balance.
- The acquisition on May 31, 2002 of an office building in Columbia, Maryland ("7000 Columbia Gateway Drive") for \$16,196,000 using \$15,800,000 in borrowings under the Revolving Credit Facility and cash reserves for the balance.
- The disposition on July 17, 2002 of an office building located in Columbia, Maryland ("8815 Centre Park Drive") for \$7,175,000, of which \$3,500,000 was used to pay down the Revolving Credit Facility and the balance applied to cash reserves.
- The acquisition on August 1, 2002 of an office building in Silver Spring, Maryland ("11800 Tech Road") for \$27,184,000 using borrowings from two mortgage loans.
- The acquisition on August 14, 2002 of two office buildings in Chantilly, Virginia ("15049 and 15059 Conference Center Drive") for \$47,416,000 using \$30,916,000 in borrowings under the Revolving Credit Facility and \$16,500,000 in borrowings from two mortgage loans.

Cedar Knolls Acquisition

The Company reached verbal agreement on key terms to purchase a parcel of land in Annapolis Junction, Maryland consisting of 51 developable acres ("Cedar Knolls") for \$20,993,000 from an affiliate of Constellation Real Estate, Inc. Management expects that this acquisition will be completed on January 10, 2003. Under the terms of the agreement, the seller is providing financing for the acquisition at a below-market interest rate; accordingly, Management is discounting the value of the acquisition and the financing to reflect the below-market interest rate. The Cedar Knolls acquisition, after adjustment for the discount described above, is valued at approximately \$19,688,000 for the purchase price and \$17,128,000 for the seller financing.

This pro forma condensed consolidating financial information should be read in conjunction with the following historical financial statements and notes thereto:

- Corporate Office Properties Trust and its consolidated subsidiaries;
- the Airport Square Properties and the Gateway 63 Properties, both of which were included in the Company's Current Report on Form 8-K filed September 5, 2001;
- Washington Technology Park included in the Company's Current Report on Form 8-K filed February 13, 2002; and
- 7000 Columbia Gateway Drive, 11800 Tech Road and 15049 and 15059 Conference Center Drive, all of which are included in this Current Report on Form 8-K.

In management's opinion, all adjustments necessary to reflect the effects of the 2001 Transactions, 2002 Transactions and probable acquisition of Cedar Knolls 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 September 30, 2002 or what the results of operations would have been for the year ended December 31, 2001 or the nine months ended September 30, 2002. The pro forma condensed consolidating financial information also does not purport to represent the future financial position and results of operations of the Company.

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Corporate Office Properties Trust
Pro Forma Condensed Consolidating Balance Sheet
As of September 30, 2002
(Unaudited)
(Dollars in thousands, except per share data)

	Historical Consolidated (A)	Cedar Knolls (B)	Other Pro Forma Adjustments	Pro Forma Consolidated
Assets				
Net investments in real estate	\$ 1,061,245	\$ 19,688	\$ —	\$ 1,080,933
Cash and cash equivalents	7,664	(2,560)	—	5,104
Other assets	60,413	—	—	60,413
Total assets	\$ 1,129,322	\$ 17,128	\$ —	\$ 1,146,450

Liabilities and shareholders' equity

Liabilities								
Mortgage loans payable	\$	710,033	\$	17,128	\$	—	\$	727,161
Other liabilities		28,421		—		—		28,421
Total liabilities		738,454		17,128		—		755,582
Minority interests		100,885		—		—		100,885
Shareholders' equity								
Preferred shares of beneficial interest		43		—		—		43
Common shares of beneficial interest		237		—		—		237
Additional paid-in capital		313,862		—		—		313,862
Other		(24,159)		—		—		(24,159)
Total shareholders' equity		289,983		—		—		289,983
Total liabilities and shareholders' equity	\$	1,129,322	\$	17,128	\$	—	\$	1,146,450

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

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Corporate Office Properties Trust
Pro Forma Condensed Consolidating Statement of Operations
For the Year Ended December 31, 2001
(Unaudited)
(Dollars in thousands, except per share data)

	Historical Consolidated (A)	2001 Transactions (B)	7320 Parkway Drive (C)	Rivers 95 (D)	7000 Columbia Gateway (E)	8815 Centre Park Drive (F)	11800 Tech Road (G)	15049 and 15059 Conference Center Drive (H)	Cedar Knolls (I)	Other Pro Forma Adjustments	Pro Forma Consolidated
Revenues											
Rental revenue	\$ 110,547	\$ 10,610	\$ 565	\$ 1,232	\$ 1,334	\$ (1,119)	\$ 2,390	\$ 5,216	\$ —	\$ —	\$ 130,775
Tenant recoveries and other revenue	14,999	4,399	114	267	—	(94)	600	1,309	—	—	21,594
Service operation revenue	3,864	—	—	—	—	—	—	—	—	—	3,864
Total revenues	129,410	15,009	679	1,499	1,334	(1,213)	2,990	6,525	—	—	156,233
Expenses											
Property operating	36,782	5,496	103	296	4	(470)	784	2,546	—	—	45,541
General and administrative	5,289	—	—	—	—	—	—	—	—	—	5,289
Interest and amortization of deferred financing costs	34,591	(2,048)	—	—	—	—	—	—	—	12,088(J)	44,631
Depreciation and other amortization	20,976	—	—	—	—	—	—	—	—	3,841(K)	24,817
Service operation expenses	4,354	—	—	—	—	—	—	—	—	—	4,354
Total expenses	101,992	3,448	103	296	4	(470)	784	2,546	—	15,929	124,632
Gain (loss) on sale of Properties	1,618	(1,596)	—	—	—	—	—	—	—	—	22
Equity in loss of unconsolidated subsidiary	(84)	—	—	—	—	—	—	—	—	(117)(L)	(201)
Income (loss) before minority interests and income taxes	28,952	9,965	576	1,203	1,330	(743)	2,206	3,979	—	(16,046)	31,422
Minority interests											
Preferred Units	(2,287)	—	—	—	—	—	—	—	—	—	(2,287)
Other partnerships	(84)	—	—	—	—	—	—	—	—	—	(84)
Common Units	(6,613)	—	—	—	—	—	—	—	—	278(M)	(6,335)
Income (loss) from continuing operations before income taxes	19,968	9,965	576	1,203	1,330	(743)	2,206	3,979	—	(15,768)	22,716
Income tax benefit	269	—	—	—	—	—	—	—	—	—	269
Net income (loss) from continuing operations	20,237	9,965	576	1,203	1,330	(743)	2,206	3,979	—	(15,768)	22,985

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

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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 and subsidiaries (the "Company") is a self-administered Maryland real estate investment trust. As of September 30, 2002, the Company's portfolio included 111 office properties, including one owned through a joint venture.

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, the Gateway 63 Properties, Washington Technology Park, 7000 Columbia Gateway Drive, 11800 Tech Road and 15049 and 15059 Conference Center Drive. In management's opinion, all adjustments necessary to reflect the effects of the 2001 Transactions, the 2002 Transactions and the probable Cedar Knolls acquisition 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 September 30, 2002 or what the results of operations would have been for the year ended December 31, 2001 or the nine months ended September 30, 2002, 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 September 30, 2002.

(B) Reflects the probable acquisition of Cedar Knolls from an affiliate of Constellation Real Estate, Inc. using \$17,128 in seller financing and \$2,560 in cash.

3. Adjustments to Pro Forma Condensed Consolidating Statements of Operations:

(A) Reflects the historical consolidated operations of the Company for the period indicated.

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(B) The pro forma adjustments associated with the 2001 Transactions are set forth in the table below.

	State Farm Properties (i)	19 Commerce Drive (ii)	Airport Square Properties (iii)	Gateway 63 Properties (iv)	Washington Technology Park (v)	Preferred Share Issuances (vi)	Total
Revenues							
Rental income	\$ 611	\$ (779)	\$ 3,266	\$ 2,112	\$ 5,400	\$ —	\$ 10,610
Tenant recoveries and other revenue	(50)	(4)	237	261	3,955	—	4,399
Total revenues	561	(783)	3,503	2,373	9,355	—	15,009
Expenses							
Property operating	322	(207)	949	337	4,095	—	5,496
General and administrative	—	—	—	—	—	—	—
Interest	—	—	—	—	—	(2,048)	(2,048)
Depreciation and amortization	—	—	—	—	—	—	—
Total expenses	322	(207)	949	337	4,095	(2,048)	3,448
Gain (loss) on sale of properties	—	(1,596)	—	—	—	—	(1,596)
Net income (loss) from continuing operations	239	(2,172)	2,554	2,036	5,260	2,048	9,965
Preferred share dividends	—	—	—	—	—	(3,276)	(3,276)
Income (loss) before minority interests and income taxes	\$ 239	\$ (2,172)	\$ 2,554	\$ 2,036	\$ 5,260	\$ (1,228)	\$ 6,689

(i) Reflects the effects of the historical operations of the State Farm Properties prior to their acquisition on May 14, 2001.

(ii) Reflects the elimination of the historical operations of 19 Commerce Drive prior to its disposition on June 18, 2001.

(iii) Reflects the effects of the historical operations of the Airport Square Properties prior to their acquisition in 2001.

(iv) Reflects the effects of the historical operations of the Gateway 63 Properties prior to their acquisition on August 30, 2001.

- (v) Reflects the effects of the historical operations of the Washington Technology Park prior to its acquisition on November 30, 2001.
- (vi) Reflects the effects of the issuance of the 2001 Preferred Share Issuances as if such issuances and the resulting repayments of debt occurred on January 1, 2001.

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The two tables that follow set forth detailed information pertaining to the pro forma adjustments for interest expense and preferred share dividends associated with the 2001 Preferred Shares Issuances.

	For the Year Ended December 31, 2001
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.	\$ (51)
Series E Preferred Share issuance—\$26,905 of the proceeds used to pay down the Revolving Credit Facility, bearing interest on the outstanding balance at LIBOR plus 175 basis points.	(538)
Series F Preferred Share issuance—\$31,200 of the proceeds used to pay down the Revolving Credit Facility, bearing interest on the outstanding balance at LIBOR plus 175 basis points.	(1,459)
Total	\$ (2,048)

The pro forma adjustments above reflect an aggregate decrease to interest expense; this decrease to interest expense would decrease by a total of \$37 for the year ended December 31, 2001 if interest rates on variable rate debt were 1/8th of a percentage point higher.

	For the Year Ended December 31, 2001
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.	\$ 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.	778
Series F Preferred Share issuance—1,425,000 shares issued with an aggregate liquidation preference of \$35,625, paying dividends at a yearly rate of 9.875% of such liquidation preference.	2,462
Total	\$ 3,276

- (C) Reflects the effects of the historical operations of 7320 Parkway Drive prior to its acquisition on April 4, 2002.
- (D) Reflects the effects of the historical operations of Rivers 95 prior to its acquisition on April 4, 2002.
- (E) Reflects the effects of the historical operations of 7000 Columbia Gateway Drive prior to its acquisition on May 31, 2002.
- (F) Reflects the elimination of the historical operations of 8815 Centre Park Drive prior to its disposition on July 17, 2002.

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- (G) Reflects the effects of the historical operations of 11800 Tech Road prior to its acquisition on August 1, 2002.
- (H) Reflects the effects of the historical operations of 15049 and 15059 Conference Center Drive prior to their acquisition on August 14, 2002.
- (I) Reflects the effects of the historical operations of Cedar Knolls for the periods presented. Cedar Knolls is a land parcel with no historical operating activity.
- (J) Pro forma adjustments for additional interest expense resulting from acquisition activity are set forth below. Pro forma adjustments are also set forth below for decreases in historical interest expense resulting from property dispositions. The pro forma adjustments below associated with the Revolving Credit Facility (carrying interest at a variable rate of LIBOR plus 175 basis points) and other variable rate loans were computed using the weighted average of the rates in effect for the applicable pro forma periods. Pro forma deferred financing cost amortization adjustments are reflected assuming such costs are amortized over the lives of the related loans.

	For the Year Ended December 31, 2001	For the Nine Month Period Ended September 30, 2002
Adjustment to interest expense, net of related historical amounts, as a result of:		
Borrowings under the Revolving Credit Facility of \$12,915 in connection with the acquisition of the State Farm Properties.	\$ 352	\$ —
Debt repaid in connection with the sale of 19 Commerce Drive consisting of a \$7,000 mortgage loan on the property with an interest rate of LIBOR plus 175 basis points.	(224)	—

Borrowings in connection with the acquisition of the Airport Square Properties consisting of: (i) \$16,215 under a mortgage loan bearing interest at LIBOR plus 175 basis points; (ii) \$13,200 under the Revolving Credit Facility; and (iii) \$7,862 under a mortgage loan bearing interest at 7.18% per annum.	1,347	—
Borrowings in connection with the acquisition of the Gateway 63 Properties consisting of: (i) a 15,750 mortgage loan bearing interest at the Prime rate; and (ii) \$4,295 under the Revolving Credit Facility.	1,020	—
Borrowings in connection with the acquisition of the Washington Technology Park consisting of: (i) \$32,078 under the Revolving Credit Facility; and (ii) \$25,000 under a mortgage loan bearing interest at LIBOR plus 175 basis points.	3,198	—
Borrowings under the Revolving Credit Facility of \$4,957 in connection with the acquisition of 7320 Parkway Drive.	290	46
Borrowings under the Revolving Credit Facility of \$10,214 in connection with the acquisition of Rivers 95.	598	95
Borrowings under the Revolving Credit Facility of \$15,800 in connection with the acquisition of 7000 Columbia Gateway Drive.	926	238

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Debt repaid in connection with the sale of 8815 Centre Park Drive consisting of \$3,500 under the Revolving Credit Facility.	(205)	(69)
Borrowings from debt in connection with the acquisition of 11800 Tech Road consisting of: (i) \$22,000 under a mortgage loan bearing interest at LIBOR plus 160 basis points; and (ii) \$5,184 under a mortgage loan bearing interest at 6.51% per annum.	1,593	647
Borrowings from debt in connection with the acquisition of 15049 and 15059 Conference Center Drive consisting of: (i) \$30,916 under the Revolving Credit Facility; (ii) \$16,000 under a mortgage loan bearing interest at 7.0% per annum; and (iii) \$500 under a mortgage loan bearing interest at LIBOR plus 150 basis points.	2,961	1,407
Borrowing in connection with the probable acquisition of Cedar Knolls consisting of \$17,128 in seller provided financing bearing interest at an imputed rate of 6%. No pro forma adjustment for interest expense is reflected since Management expects for land to be under development upon purchase.	—	—
Amortization of deferred financing costs related to:		
19 Commerce Drive	(48)	—
Airport Square Properties	82	(77)
Washington Technology Park	100	(82)
11800 Tech Road	98	(15)
	\$ 12,088	\$ 2,190

The pro forma adjustments above reflect an aggregate increase to interest expense. The aggregate pro forma increase to interest expense would increase by an additional \$233 for the year ended December 31, 2001 and \$69 for the nine months ended September 30, 2002 if interest rates on variable rate debt were 1/8th of a percentage point higher.

The pro forma adjustments resulting from acquisition activity were computed using the effects of initial debt incurred for such acquisitions; such adjustments do not reflect the effect of subsequent changes to the Company's debt, including activity to refinance initially incurred debt. If the pro forma adjustments reflected subsequent refinancings with debt secured by the properties acquired above, the aggregate pro forma increase to interest expense would increase by an additional \$324 for the year ended December 31, 2001 and \$75 for the nine months ended September 30, 2002. In addition, if the pro forma adjustments reflected the effects of other changes to the Company's debt, the aggregate increase to interest expense could be higher.

- (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

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depreciation and amortization expense adjustments on dispositions are reflected based on historical amounts.

Adjustment to depreciation and other amortization expense, net of related historical amounts, as a result of:	For the Year Ended December 31, 2001	For the Nine Month Period Ended September 30, 2002
Depreciation expense:		
State Farm Properties	\$ 110	\$ —
19 Commerce Drive	(109)	—
Airport Square Properties	472	—
Gateway 63 Properties	319	—
Washington Technology Park	1,136	—
7320 Parkway Drive	99	25
Rivers 95	231	58
7000 Columbia Gateway Drive	324	135

8815 Centre Park Drive	(197)	—
11800 Tech Road	544	317
15049 and 15059 Conference Center Drive	949	593
Cedar Knolls	—	—
Amortization of deferred leasing costs related to:		
19 Commerce Drive	(37)	—
	\$ 3,841	\$ 1,128

- (L) Adjustment to reverse income recorded for our investment in certain of the Airport Square Properties under the equity method of accounting during 2001.
- (M) Adjustment for minority interests' share of pro forma adjustments made to the Operating Partnership.
- (N) Adjustment for additional weighted average Common Shares outstanding due to Series D Preferred Shares assumed issued at the beginning of 2001.

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Report of Independent Accountants

To Corporate Office Properties Trust:

We have audited the accompanying historical summary of revenue and certain expenses of 7000 Columbia Gateway Drive (the "Property") as described in Note 1 for the year ended December 31, 2001. This historical summary is the responsibility of the Property management. Our responsibility is to express an opinion on this historical summary 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 summary is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the historical summary. 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 summary. We believe that our audit provides a reasonable basis for our opinion.

The accompanying historical summary 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 Property's revenue and expenses.

In our opinion, the historical summary referred to above presents fairly, in all material respects, the revenue and certain expenses as described in Note 2 of the Property for the year ended December 31, 2001, in conformity with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Baltimore, Maryland
November 15, 2002

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7000 Columbia Gateway Drive Historical Summary of Revenue and Certain Expenses for the year ended December 31, 2001

Revenue	
Base rents	\$ 1,334,125
Total revenue	1,334,125
Certain expenses	
Miscellaneous expenses	4,351
Total property operating	4,351
Revenue in excess of certain expenses	\$ 1,329,774

The accompanying notes are an integral part of these historical summaries.

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7000 Columbia Gateway Drive Historical Summary of Revenue and Certain Expenses for the three months ended March 31, 2002 (unaudited)

Revenue

Base rents	\$	333,531
		333,531
Total revenue		
Certain expenses		
Miscellaneous expenses		—
		—
Total property operating		
		—
Revenue in excess of certain expenses		\$ 333,531
		333,531

The accompanying notes are an integral part of these historical summaries.

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**7000 Columbia Gateway Drive
Notes to Historical Summaries**

1. Business

The accompanying historical summary of revenue and certain expenses relates to the operations of 7000 Columbia Gateway Drive (the "Property"), consisting of the revenue and certain expenses of the building totaling 146,000 rentable square feet located in Howard County, Maryland.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying historical summary 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 ("COPT") acquiring the Property. COPT acquired the Property in May 2002. The historical summary is not representative of the actual operations of the Property for the period presented nor indicative of future operations as certain expenses, primarily depreciation, amortization, allocable overhead 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 Property, have been excluded.

Revenue and Expense Recognition

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

Use of Estimates

The preparation of this historical summary 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 2001, the Property was leased to one tenant.

3. Rentals

The Property has entered into a non-cancelable tenant lease with a lease term through December 15, 2004. Such lease provides that the tenant will pay all operating expenses and real estate taxes associated with the space, as defined in the lease. Future minimum rentals as of December 31, 2001, to be received under this tenant lease are as follows:

2002	\$	1,334,125
2003		1,334,125
2004		1,278,536
		3,946,786
		\$ 3,946,786

4. Unaudited Historical Summary

The historical summary of revenue and certain expenses for the three months ended March 31, 2002 is unaudited. As a result, this interim historical summary should be read in conjunction with the historical summary of revenue and certain expenses and accompanying notes for the year ended December 31, 2001. The interim historical summary reflects all adjustments which management believes are necessary for the fair presentation of the historical summary of revenue and certain expenses for the interim period presented. These adjustments are of a normal recurring nature. The historical summary of revenue and certain expenses for such interim period is not necessarily indicative of the results for a full year.

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Report of Independent Accountants

To Corporate Office Properties Trust:

We have audited the accompanying historical summary of revenue and certain expenses of 11800 Tech Road (the "Property") as described in Note 1 for the year ended December 31, 2001. This historical summary is the responsibility of the Property management. Our responsibility is to express an opinion on this historical summary 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 summary is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the historical summary. 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 summary. We believe that our audit provides a reasonable basis for our opinion.

The accompanying historical summary 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 Property's revenue and expenses.

In our opinion, the historical summary referred to above presents fairly, in all material respects, the revenue and certain expenses as described in Note 2 of 11800 Tech Road for the year ended December 31, 2001, in conformity with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Baltimore, Maryland
November 15, 2002

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11800 Tech Road
Historical Summary of Revenue and Certain Expenses
for the year ended December 31, 2001

Revenue	
Base rents	\$ 2,389,669
Tenant reimbursements	501,681
Other income	98,897
	<hr/>
Total revenue	2,990,247
	<hr/>
Certain expenses	
Property operating expenses	
Property taxes	160,049
Management expenses	112,024
Other operating expenses	112,167
Other tenant reimbursable expenses	213,877
	<hr/>
Total property operating	598,117
Repairs and maintenance	185,816
	<hr/>
Total certain expenses	783,933
	<hr/>
Revenue in excess of certain expenses	\$ 2,206,314
	<hr/>

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11800 Tech Road
Historical Summary of Revenue and Certain Expenses
for the six months ended June 30, 2002 (unaudited)

Revenue	
Base rents	\$ 1,454,001
Tenant reimbursements	384,846
Other income	36,384
	<hr/>
Total revenue	1,875,231
	<hr/>
Certain expenses	
Property operating expenses	
Property taxes	104,706
Management expenses	70,057
Other operating expenses	53,619
Other tenant reimbursable expenses	119,404
	<hr/>
Total property operating	347,786
Repairs and maintenance	100,822
	<hr/>

Total certain expenses		448,608
Revenue in excess of certain expenses	\$	1,426,623

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**11800 Tech Road
Notes to Historical Summaries**

1. Business

The accompanying historical summary of revenue and certain expenses relates to the operations of 11800 Tech Road (the "Property"), consisting of the revenue and certain expenses of the building totaling approximately 240,000 rentable square feet and a parking lot leasing approximately 100 spaces located in Silver Spring, Maryland.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying historical summary 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 ("COPT") acquiring the Property. COPT acquired the Property in August 2002. The historical summary is not representative of the actual operations of the Property 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 Property, have been excluded.

Revenue and Expense Recognition

Revenue is recognized on a straight-line basis over the terms of the related lease. Tenant reimbursements and other income are recognized when earned. Expenses are recognized in the period in which they are incurred.

Use of Estimates

The preparation of this historical summary 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 2001, 98% of the Property's total base rents was earned from 4 major tenants, each of which amounted to over 10% of total base rents. Base rents earned from these 4 tenants for the year ended December 31, 2001 were approximately \$1,222,000; \$394,000; \$315,000 and \$290,000, respectively.

3. Rentals

The Property has entered into non-cancelable tenant leases, with expiration dates ranging from 2005 to 2009. Such leases provide that tenants will share in operating expenses and real estate taxes on a pro

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rata basis, as defined in the leases. Future minimum rentals as of December 31, 2001, to be received under these tenant leases are as follows:

2002	\$	2,796,316
2003		2,957,562
2004		3,112,992
2005		2,658,342
2006		1,940,942
Thereafter		1,160,054
	\$	14,626,208

4. Management Fee Agreement and Tenant Service Contract

Certain management services for the year ended December 31, 2001 were performed by the owner of the Property at the rate of 4% of gross revenue generated by the operation of all phases of the Property.

5. Unaudited Interim Historical summary

The historical summary of revenue and certain expenses for the six months ended June 30, 2002 is unaudited. As a result, this interim historical summary should be read in conjunction with the historical summary of revenue and certain expenses and the accompanying notes for the year ended December 31, 2001. The interim historical summary reflects all adjustments which management believes are necessary for the fair presentation of the historical summary of revenue and certain expenses for the interim period presented. These adjustments are of a normal recurring nature. The historical summary of revenue and certain expenses for such interim period is not necessarily indicative of the results for a full year.

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Report of Independent Accountants

To Corporate Office Properties Trust:

We have audited the accompanying historical summary of revenue and certain expenses of 15049 and 15059 Conference Center Drive (the "Properties") as described in Note 1 for the year ended December 31, 2001. This historical summary is the responsibility of the Property management. Our responsibility is to express an opinion on this historical summary 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 summary is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the historical summary. 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 summary. We believe that our audit provides a reasonable basis for our opinion.

The accompanying historical summary 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 summary referred to above presents fairly, in all material respects, the revenue and certain expenses as described in Note 2 of the Properties for the year ended December 31, 2001, in conformity with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Baltimore, Maryland
November 15, 2002

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15049 and 15059 Conference Center Drive Historical Summary of Revenue and Certain Expenses for the year ended December 31, 2001

Revenue	
Base rents	\$ 5,216,130
Tenant reimbursements	1,307,920
Miscellaneous income	824
Total revenue	6,524,874
Certain expenses	
Property operating expenses	
Property taxes	655,302
Utilities	510,450
Management fee	179,644
Ground lease	228,880
Other operating expenses	202,295
Total property operating	1,776,571
Repairs and maintenance	769,763
Total certain expenses	2,546,334
Revenue in excess of certain expenses	\$ 3,978,540

The accompanying notes are an integral part of these historical summaries.

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15049 and 15059 Conference Center Drive Historical Summary of Revenue and Certain Expenses for the six months ended June 30, 2002 (unaudited)

Revenue	
Base rents	\$ 2,925,867
Tenant reimbursements	705,141
Total revenue	3,631,008
Certain expenses	
Property operating expenses	

Property taxes	355,688
Utilities	261,299
Management fee	106,439
Ground lease	114,440
Other operating expenses	116,059
Total property operating	953,925
Repairs and maintenance	314,933
Total certain expenses	1,268,858
Revenue in excess of certain expenses	\$ 2,362,150

The accompanying notes are an integral part of these historical summaries.

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**15049 and 15059 Conference Center Drive
Notes to Historical Summaries**

1. Business

The accompanying historical summary of revenue and certain expenses relates to the operations of 15049 and 15059 Conference Center Drive (the "Properties"), consisting of the revenue and certain expenses of two office buildings totaling 290,245 rentable square feet located in Chantilly, Virginia.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying historical summary 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 Property ("COPT"). COPT acquired the Properties in August 2002. The historical summary is not representative of the actual operations of the Property 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 related lease. Tenant reimbursements and other income are recognized when earned. Expenses are recognized in the period in which they are incurred.

Use of Estimates

The preparation of this historical summary 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 2001, 74% of the Properties total base rents was earned from two major tenants, each of which amounted to over 20% of total base rents. Base rents earned from these two tenants for the year ended December 31, 2001 were approximately \$2,380,000 and \$1,476,000, respectively.

3. Rentals

The Properties have entered into non-cancelable tenant leases, with expiration dates ranging from 2005 to 2012. Such leases provide that tenants will share in operating expenses and real estate taxes on a pro

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rata basis, as defined in the leases. Future minimum rentals as of December 31, 2001, to be received under these tenant leases are as follows:

2002	\$ 5,549,565
2003	5,878,583
2004	6,049,177
2005	6,181,953
2006	6,099,348
Thereafter	24,974,304
	\$ 54,732,930

4. Management Fee Agreement

Certain management services for the twelve months ended December 31, 2001 were performed by the owner of the Property at the rate of 3% of gross rents. Per the management agreement gross rents include rental income, tenant reimbursement income, and other sums actually collected by the Manager on a monthly basis. During the year ended December 31, 2001 the Properties paid \$179,644 in management fees.

5. Unaudited Interim Historical summary

The historical summary of revenue and certain expenses for the six months ended June 30, 2002 is unaudited. As a result, this interim historical summary should be read in conjunction with the historical summary of revenue and certain expenses and the accompanying notes for the year ended December 31, 2001. The interim historical summary reflects all adjustments which management believes are necessary for the fair presentation of the historical summary of revenue and certain expenses for the interim period presented. These adjustments are of a normal recurring nature. The historical summary of revenue and certain expenses for such interim period is not necessarily indicative of the results for a full year.

6. Ground Lease

15059 Conference Center Drive is subject to a ground lease contract that requires the payment of \$228,880 annually. The ground lease commenced in January 1999 and has a term of 99 years.

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[Corporate Office Properties Trust Pro Forma Condensed Consolidating Statement of Operations For the Year Ended December 31, 2001 \(Unaudited\) \(Dollars in thousands, except per share data\)](#)

[Corporate Office Properties Trust Pro Forma Condensed Consolidating Statement of Operations For the Nine Month Period Ended September 30, 2002 \(Unaudited\) \(Dollars in thousands, except per share data\)](#)

[CORPORATE OFFICE PROPERTIES TRUST NOTES AND MANAGEMENT'S ASSUMPTIONS TO PRO FORMA CONDENSED CONSOLIDATING FINANCIAL INFORMATION \(Dollars in thousands, except share and per share amounts\)](#)

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[7000 Columbia Gateway Drive Historical Summary of Revenue and Certain Expenses for the year ended December 31, 2001](#)

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[15049 and 15059 Conference Center Drive Notes to Historical Summaries](#)

**CONTRACT FOR PURCHASE OF REAL ESTATE
(Single-Tenant Property)**

This Contract for Purchase of Real Estate ("Contract") is made as of this 29th of April, 2002, by and between Allianz Life Insurance Company of North America, a Minnesota corporation ("Seller"), and COPT Acquisitions, Inc., a Delaware corporation ("Purchaser").

RECITALS:

A. WHEREAS, Seller is the record or beneficial title holder of a certain parcel of land legally described on Exhibit "A" hereto ("Land"), improved with a single-tenant office building with area of approximately 145,806 square feet ("Building"), commonly known as 7000 Columbia Gateway Drive, County of Howard, State of Maryland.

B. The Land and Building are leased to Honeywell International, Inc., as successor in interest to Allied-Signal, Inc. ("Tenant") pursuant to that certain Lease, dated December 15, 1997, as amended by letter dated December 15, 1997, and First Amendment dated December 31, 1998, copies of which are attached hereto as Exhibit "G" ("Lease").

C. WHEREAS, Purchaser desires to purchase and Seller desires to sell the Premises (as defined herein) on the terms and conditions set forth below.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing recitals, which are incorporated herein, the mutual covenants herein contained, Ten Dollars paid and other good and valuable consideration, the receipt and adequacy of which is acknowledged, the parties agree as follows:

1. PREMISES. The "Premises" consist of and are defined as all of Seller's right, title and interest in and to:

1.1 The Land, the Building and all structures and other improvements now or hereafter erected thereon, and all easements, tenements, hereditaments, privileges and appurtenances in any way belonging thereto.

1.2 All fixtures, equipment, and signs located on or about the Land and the Building, including, without limitation, all heating, lighting, plumbing, electrical and air-conditioning fixtures and equipment, all hot water heaters, furnaces, heating controls, motors and boiler pressure systems and equipment, but excluding such fixtures and equipment as are owned by Tenant or parties claiming by, through or under Tenant.

1.3 All easements, if any, whether or not of record, appurtenant to the Land and the use of all appurtenant and assignable strips, railroad tracks and rights-of-way, if any, abutting, adjacent, contiguous or adjoining the Land.

1.4 All licenses, permits and franchises issued by any federal, state, county or municipal authority relating to the use, maintenance or operation of the Land or the Building, running to or in favor of Seller to the extent the same are assignable by Seller.

1.5 Landlord's interest in and to the Lease and security deposit thereunder, if any.

1.6 All right, title and interest of Seller in and to the use of trade names or trademarks owned by Seller and used in connection with the Premises, if any.

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2. PURCHASE PRICE.

2.1 Subject to the terms and conditions contained herein, Seller agrees to sell the Premises to Purchaser, and Purchaser agrees to purchase the Premises from Seller, subject only to the title conditions and other matters set forth on Exhibit "C" hereto (the "Permitted Exceptions"), for a purchase price of Sixteen Million Dollars (\$16,000,000.00) (the "Purchase Price"), subject to prorations and adjustments as provided below. The Purchase Price shall be payable as follows:

A. Within two business days after the Execution Date (as defined below), Purchaser shall deposit earnest money ("Earnest Money") in the amount of Two Hundred Fifty Thousand Dollars (\$250,000.00) with Anchor Title Company, as escrowee ("Escrowee"). The escrow agreement shall provide that the Earnest Money and interest thereon shall be payable to Purchaser upon the unilateral written direction of Purchaser given on or before the Due Diligence Date (as defined below). The Earnest Money shall be held in such interest-bearing account as Purchaser may reasonably designate (provided the risk of loss shall remain solely with Purchaser) with interest payable to Purchaser upon Closing or any termination of this Contract for reasons other than a default by Purchaser.

B. At Closing, Purchaser shall pay the balance of the Purchase Price (less the Earnest Money, which Purchaser shall cause to be paid to Seller on Closing), plus or minus prorations and adjustments, to Seller, such payment to be made by wire transfer to the account of the Escrowee. The proceeds of sale must be disbursed to Seller by wire transfer and received by Seller in Seller's designated account no later than 2:00 pm (EST) on the date of Closing, and if not received by such time, prorations shall be adjusted to the business day on which such net proceeds are timely received.

3. TITLE AND SURVEY.

3.1 Upon Closing, Seller shall convey good and marketable title to the Premises to Purchaser or Purchaser's nominee by delivery of its special warranty deed, in recordable form, conveying fee simple title subject only to the Permitted Exceptions, provided, that Seller shall not be required to convey title to any nominee unless Purchaser has first, in conformity with the provisions of Section 12.7 below, assigned this Contract to such nominee and such nominee has assumed the obligations of Seller under this Contract.

3.2 As evidence of title, Seller shall furnish to Purchaser, within ten (10) days after the Execution Date, a copy of the most recent title insurance title policy in Seller's possession. Purchaser shall obtain, with respect to the Premises, a current commitment for title insurance (the "**Title Commitment**"), issued by Anchor Title Company, using an ALTA Form B (1970 amended 10/17/90) extended coverage owner's policy of title insurance, or form reasonably acceptable to Purchaser, in the face amount of the Purchase Price, dated as of the Closing Date, indicating title to the Premises is vested in Purchaser subject only to Permitted Exceptions (as defined herein). The cost to issue the Title Commitment and the title policy, and any endorsements required by Purchaser, shall be paid by Purchaser.

3.3 If the Title Commitment or Survey (as hereinafter defined) shows that title to the Premises is encumbered by matters of which Purchaser disapproves, other than Permitted Exceptions ("Unpermitted Exceptions"), Purchaser shall in writing notify Seller no later than the Due Diligence Date, and if such Unpermitted Exceptions are not removed at or before Closing, Purchaser may (i) proceed with the Closing, whereupon Purchaser shall accept Seller's deed subject to the Unpermitted Exceptions without any reduction in Purchase Price, (ii) elect to terminate this Contract, whereupon the Earnest Money together with interest earned thereon shall be refunded to Purchaser, and thereafter neither party shall have any further obligation hereunder or (iii) pay over to the title company the amount necessary to cause the applicable Unpermitted Exception to be removed from title, in which event the Purchase Price shall be reduced by a like amount, but not to exceed \$10,000.00 in the aggregate for any and all such Unpermitted Exceptions. Any matters to which Purchaser does not object as provided above (other than those matters to which it is not required to object as provided

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above), including any endorsements or supplements to the Title Commitment issued at Purchaser's expense, and those matters affecting title that are reflected on the Survey, will be Permitted Exceptions, as if such matters were set forth on Exhibit "C."

3.4 Seller shall furnish to Purchaser, within ten (10) days after the Execution Date, a copy of the survey of the Premises obtained by Seller when Seller acquired the same, or any update thereof since obtained by Seller (the "Survey"). As part of its investigations hereunder, Purchaser will have the right, at its expense, to have the Survey updated by the surveyor who prepared the same or by another surveyor selected by Purchaser.

4. SELLER DELIVERIES; INSPECTIONS. No later than five (5) days after the Execution Date, Seller shall deliver to Purchaser copies of those items listed in Exhibit "D" attached hereto to the extent the same are in Seller's possession (collectively "Seller's Deliveries"). From and after the Execution Date, with reasonable prior notice to Seller and subject to the rights of the Tenant, Purchaser and its agents shall have the right to enter upon the Premises and conduct investigations relating to the physical condition of the Premises, environmental matters, operating expenses, architectural, engineering, zoning, title, survey, tenancy and other matters. Notwithstanding anything set forth herein to the contrary, Purchaser shall not be permitted to perform any Phase II environmental assessments or any other invasive tests on the Premises (including, without limitation, borings or samplings) without the prior written consent of Seller, which consent shall not be unreasonably withheld, conditioned or delayed. Purchaser shall indemnify and hold Seller harmless from and against any and all liability, claims, costs or expenses, including without limitation, reasonable attorneys' fees and court costs, resulting from or arising with respect to any personal injury or property damage caused by Purchaser's investigations. Purchaser shall hold any information acquired regarding the Premises in strictest confidence. Notwithstanding anything in this Contract to the contrary, the foregoing covenant regarding confidentiality and the foregoing indemnity by Purchaser shall survive the Closing or the termination of this Contract, as applicable.

5. SELLER'S REPRESENTATIONS AND WARRANTIES

5.1 Purchaser acknowledges that it is being afforded the opportunity to inspect the Premises in detail. Upon the completion of the due diligence period, Purchaser will have independently determined that the physical condition, structure and all other matters relating to the Premises are satisfactory to Purchaser in all respects. PURCHASER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS SPECIFICALLY PROVIDED IN SECTION 5.2 BELOW, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (A) THE VALUE, NATURE, QUALITY OR CONDITION OF THE PREMISES, INCLUDING WITHOUT LIMITATION THE WATER, SOIL AND GEOLOGY, (B) THE INCOME TO BE DERIVED FROM THE PREMISES, (C) THE SUITABILITY OF THE PREMISES FOR ANY AND ALL ACTIVITIES AND USES WHICH PURCHASER MAY CONDUCT THEREON, (D) THE COMPLIANCE OF OR BY THE PREMISES OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY, (E) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PREMISES, (F) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS, IF ANY, INCORPORATED INTO THE PREMISES, INCLUDING WITHOUT LIMITATION THE EXISTENCE OR NON-EXISTENCE OF ANY LATENT DEFECTS, (G) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PREMISES, (H) THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS AT, ON, UNDER OR ADJACENT TO THE PREMISES OR ANY OTHER ENVIRONMENTAL MATTER OR CONDITION OF THE

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PREMISES, (I) THE LEASES OR OTHER AGREEMENTS AFFECTING THE PREMISES, OR (J) ANY OTHER MATTER WITH RESPECT TO THE PREMISES. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, PURCHASER ACKNOWLEDGES THAT, EXCEPT AS EXPRESSLY PROVIDED IN SECTION 5.2 BELOW, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS REGARDING COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT OF 1990 (THE "DISABILITIES ACT") AND ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS, INCLUDING THOSE GOVERNING SOLID WASTE, AS DEFINED BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 C.F.R., PART 261, OR THE DISPOSAL OR EXISTENCE, IN OR ON THE PREMISES, OF ANY HAZARDOUS SUBSTANCE, AS DEFINED BY THE COMPREHENSIVE ENVIRONMENTAL RESPONSE COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED, AND REGULATIONS PROMULGATED THEREUNDER. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY PROVIDED TO THE CONTRARY IN SECTION 5.2 BELOW, HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PREMISES, PURCHASER IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PREMISES AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY SELLER. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE PREMISES WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT SELLER MAY OR MAY NOT HAVE MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND, EXCEPT AS SPECIFICALLY PROVIDED IN SECTION 5.2 BELOW, MAKES NO REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. EXCEPT AS EXPRESSLY SET FORTH IN THIS CONTRACT, SELLER IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PREMISES, OR THE OPERATION THEREOF, FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, EXCEPT AS EXPRESSLY PROVIDED IN SECTION 5.2 BELOW, THE SALE OF THE PREMISES AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS" CONDITION AND BASIS AND "WITH ALL FAULTS". IT IS UNDERSTOOD AND AGREED THAT THE PURCHASE PRICE HAS BEEN NEGOTIATED TO REFLECT THAT ALL OF THE PREMISES IS SOLD BY SELLER AND PURCHASED BY PURCHASER SUBJECT TO THE FOREGOING.

5.2 Seller represents and warrants to Purchaser that:

- A. Attached hereto as Exhibit "G" is a complete and accurate copy of the Lease [excluding exhibits].
- B. Seller has executed no leases, tenancies, licenses, concessions, franchises, options or rights of occupancy affecting the Premises other than the Lease and the Permitted Exceptions.
- C. Seller has neither issued nor received a notice of default under the Lease that has not heretofore been cured.
- D. To Seller's knowledge, no condemnation or eminent domain proceedings are currently pending or threatened against the Premises.

E. Except as disclosed in Exhibit "B", Seller has received no written notice of any violation (that has not been corrected) of any law, ordinance, order, regulation or requirement having jurisdiction over the Premises;

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F. Seller is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code of 1986;

G. Seller has full authority and power to execute this Contract and to close the sale of the Premises and that Seller's execution and performance of this Contract does not conflict with any obligation or agreement of Seller;

H. Seller is duly organized, validly existing and in good standing under the laws of the State of Minnesota;

I. To Seller's actual knowledge, except as set forth in any documents delivered to Purchaser (including the Title Commitment), Seller has not received written notice of any action, suit, arbitration, unsatisfied order or judgment, governmental investigation or proceeding pending against Seller which, if adversely determined, could individually or in the aggregate materially interfere with the consummation of the transaction contemplated by this Contract;

J. Seller has not granted, other than to Purchaser, any outstanding option, right of first refusal or any other right with respect to the purchase of all or any portion of the Premises; and

K. Seller is not a party to any management, employment, maintenance, construction, commission, architectural, parking, supply or service contracts, warranties, guaranties and bonds and other agreements related to the Premises that remain in existence and would be binding against Purchaser after Closing, except those listed in Exhibit "I" attached hereto (collectively, the "Service Contracts").

L. Except as may be set forth in any environmental report or study delivered by Seller to Purchaser or otherwise delivered to Purchaser in connection with its due diligence in respect of the Premises, to Seller's actual knowledge and without investigation by Seller, there are no Hazardous Materials or substances present on or under the Land or in the Improvements in any quantity or manner that violates applicable laws governing Hazardous Materials or substances, other than those substances used by Tenant in the ordinary course of its business activities on the Premises. As used in this Section 5.2, "**Hazardous Materials**" means any substance, material or chemical that is or may be defined as "hazardous substances," "hazardous materials," "hazardous wastes," or words of similar impact under any federal, state or local statute, law, code or ordinance or under the regulations adopted or guidelines promulgated pursuant thereto, including but not limited to, the Comprehensive Environment Response, Compensation and Liability Acts of 1980, as amended, 42 U.S.C. § 906 et seq., the Hazardous Materials Transformation Act, as amended, 49 U.S.C. §1801 et seq. and the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 69 et seq., excluding any petroleum products or other chemicals used by Seller or the tenants of the Premises in the usual and ordinary course of their everyday business activities on the Premises.

5.3 The representations and warranties of Seller set forth in Section 5.2 of this Contract shall survive Closing for a period of one (1) year after the Closing Date after which all of the representations and warranties of Seller shall become void and of no further force or effect, except for Seller's representations and warranties concerning its authority set forth in subparagraph 5.2 G above, which shall survive Closing without limitation on duration. Seller shall deliver at Closing a certificate confirming its representations and warranties in substantially the form attached hereto as Exhibit "J." Representations and warranties made herein to "Seller's knowledge," "Seller's actual knowledge" or similar references to knowledge shall mean the actual knowledge of Brian Brennan, Director of Real Estate Acquisitions, and Sue Busse, Property Accountant, and shall not be construed to impose a duty on Seller to independently investigate the matters so represented and warranted. If any of Seller's representations or warranties are discovered to be materially untrue on or before Closing, then Purchaser may, as its sole and exclusive remedy, either waive such matter and proceed to closing or terminate this Contract whereupon the Earnest Money together with interest earned thereon shall be refunded to Purchaser, and thereafter neither party shall have any further obligation hereunder.

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6. PURCHASER'S REPRESENTATIONS AND WARRANTIES.

6.1 Purchaser has full authority and power to execute this Contract and to close the sale of the Premises and that Purchaser's execution and performance of this Contract does not conflict with any obligation or agreement of Purchaser.

6.2 Purchaser is duly organized, validly existing and in good standing under the laws of the State of Delaware, and in good standing and duly qualified to conduct business in the State of Maryland.

Purchaser's representations and warranties under this Section 6 shall survive Closing, and at Closing, Purchaser shall deliver a certificate confirming its representations and warranties in substantially the form attached hereto as Exhibit "J."

7. CONDITIONS PRECEDENT TO CLOSING; SELLER COVENANTS. 7.1 If Purchaser, in its sole and absolute discretion, is not satisfied with the Premises, the Lease, the condition of title, survey or environmental matters, or the results of Purchaser's studies and investigations, or if Purchaser's Investment Committee has not approved this transaction, then Purchaser may, by serving notice on Seller no later than Due Diligence Date (as hereinafter defined) terminate this Contract, in which event all Earnest Money deposited to date together with all interest earned thereon shall be refunded to Purchaser, and thereafter neither party shall have any further claims or obligations hereunder. If Purchaser does not give such notice on or before the Due Diligence Date then this condition precedent shall be deemed waived and of no further force and effect. The "Due Diligence Date" shall mean 5:00 P.M Eastern Standard Time on that day that is forty-five (45) days after the Execution Date, provided that if the Due Diligence Date would fall on a weekend or holiday, then the Due Diligence Date shall be the first following business day.

7.2 Purchaser's obligation to close shall be further conditioned upon the following:

A. the Lease shall be in full force and effect and without any outstanding written notice of default by Seller or Tenant thereunder and no payment of base rent under the Lease shall be more than fifteen (15) days past due at Closing;

B. no later than five (5) days before the Closing Date, Seller shall have obtained and delivered to Purchaser the original estoppel certificate ("Estoppel Certificate") from Tenant in substantially the form set forth in Exhibit "E", free from material adverse disclosures not previously disclosed or known to Purchaser;

C. all of Seller's representations and warranties shall be materially true and correct as of Closing and Seller shall not be in material default of any of its obligations hereunder; and

If the above conditions are not satisfied as of Closing, Purchaser shall have the right, as its sole and exclusive remedies, to either (i) extend the Closing Date for a reasonable period of time to allow Seller to satisfy any condition that is reasonably capable of being satisfied by Seller, but in no event later than seventy-five (75) days after the

Execution Date, or (ii) to terminate this Contract whereupon all Earnest Money and interest thereon shall be refunded to Purchaser and thereafter neither party shall have any further obligation hereunder; provided, however, that if a failed condition is a result of a breach by Seller of its covenants hereunder, Purchaser may exercise its rights and remedies under Section 10.2.

7.3 From the date hereof until Closing or termination of the Contract:

A. Seller shall not make, enter or grant any new lease, tenancy, license or other agreement for the use or occupancy of the Premises or any portion thereof without Purchaser's prior written consent, which shall not be unreasonably withheld or delayed.

B. Seller shall not modify or amend the Lease without Purchaser's prior written consent, which shall not be unreasonably withheld or delayed.

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C. Seller shall not enter into any operating agreements that will be binding upon Purchaser after Closing, nor transfer any of the Premises or create any easements that would materially and adversely affect the Premises, without in each case first obtaining Purchaser's written consent, which shall not be unreasonably withheld.

D. Seller shall maintain and repair any elements of the Building which are Seller's responsibility to maintain as landlord under the Lease as may be reasonably required to keep the Building in the same condition as it is on the Execution Date, ordinary wear and tear and casualty loss excepted.

E. Seller shall not market the Premises for sale to any other party.

F. Seller shall keep (or shall cause Tenant to keep) the Building insured against loss or damage by fire and all risks covered by an extended coverage endorsement on a replacement cost basis, to the extent required under the Lease.

G. Seller shall assist and cooperate with Purchaser prior to Closing in obtaining all necessary permits and licenses to continue operating the Premises in the present manner.

H. Seller shall not voluntarily create any liens, easements or other conditions affecting any portion of the Premises without the prior written consent of Purchaser, which shall not be unreasonably withheld;

J. Seller shall deliver to Purchaser copies of all default notices and correspondence delivered to or received from the Tenant in connection with the Lease; and

M. Seller shall not enter any new Service Contacts without the prior written consent of Purchaser, which shall not be unreasonably withheld.

N. No later than five (5) days after the Execution Date, Seller shall request, and upon receipt deliver to Purchaser, each of (i) a compliance certificate from the Architectural Review Committee under Deed Agreement and Declaration, recorded in the Land Records of Howard County in Liber 463, Folio 158 and (ii) an estoppel letter from Columbia Association, Inc. regarding the Declaration of Covenants, Conditions and Restrictions recorded in the aforesaid Land Records in Liber 1503, Folio 235; in each case in such form as the Association shall determine, but delivery of such certificate and estoppel letter shall not be a condition of Closing.

8. CLOSING.

8.1 The consummation of the transaction contemplated hereunder ("Closing") shall occur on the date which is fifteen (15) days after the Due Diligence Date ("Closing Date"), provided that if the Closing Date would fall on a weekend or holiday, then the Closing shall occur on the next following business day. Closing shall occur through a deed and money escrow using Escrowee's standard form of escrow instructions.

8.2 The costs of any closing escrows shall be divided equally between the parties. Transfer taxes, recordation taxes, documentation and similar fees or taxes required by State law or city or county ordinance shall be divided equally between the parties. Any mortgage taxes, mortgage recordation taxes or similar fees or taxes, to the extent such taxes or fees are incurred by Purchaser in connection with securing financing to acquire the Premises, shall be paid by Purchaser. Title premiums shall be paid in the manner described in Article 3.

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8.3 At Closing, Seller shall deposit with the Escrowee or deliver to Purchaser the following:

A. Duly executed special warranty deed in form attached hereto as Exhibit "H";

B. Duly executed Assignment by Seller to Purchaser of all guaranties, warranties, claims and rights from all contractors and manufacturers of the roof, equipment, fixtures or other improvements to the Building, to the extent assignable and subject to the rights of Tenant;

C. All plans and specifications in Seller's control;

D. A non-foreign affidavit sufficient in form and substance to relieve Purchaser of any and all withholding obligations under Section 1445 of the Internal Revenue Code;

E. Seller affidavit in customary form;

F. IRS Form 1099;

G. Duly executed notice to the Tenant stating that the Premises have been sold and that all future rent should be paid as Purchaser shall direct;

H. All keys and combinations to locks, if any, in Seller's possession;

I. All other documents, certificates, forms and agreements required by this Contract or applicable law or reasonably required by the Escrowee to close the transaction; and

J. Certificate Confirming Representations and Warranties in form attached hereto as Exhibit "J."

8.4 At the Closing, Purchaser shall deposit with the Escrowee the balance of the Purchase Price (less the Earnest Money, which Purchaser shall cause to be paid to Seller at Closing by wire transfer), plus or minus prorations and adjustments, by wire transfer of immediately available funds and shall deliver to Seller the Certificate Confirming Representations and Warranties in form attached hereto as Exhibit "J." Purchaser shall further execute and deliver all other documents, certificates, forms and agreements

required by this Contract or applicable law or reasonably required by the Escrowee in order to close the transaction.

8.5 At the Closing, Purchaser and Seller shall jointly execute and deposit with the Escrowee the following:

- A. Duly executed settlement statement.
- B. Transfer declarations, if required, for state, county, and municipal real estate transfer taxes.
- C. Assignment and Assumption of the Lease in form attached as Exhibit "F."

9. CLOSING ADJUSTMENTS.

Adjustments to the Purchase Price shall be made between Seller and Purchaser and shall be prorated on a per diem basis as of the Closing Date. The Closing Date shall be a day of income and expense for Purchaser. The following items shall be prorated and adjusted between Seller and Purchaser as of the Closing Date, except as otherwise specified:

9.1 Prepaid rents and other prepaid charges collected by Seller from Tenant for the month of Closing shall be prorated by credit to Purchaser. Rents and other charges which relate to periods prior to Closing which have not been collected as of Closing (collectively "**Delinquent Rents**") shall not be prorated. Seller shall have the right to collect Delinquent Rents from Tenant, which may include legal proceedings against Tenant as Seller deems appropriate, provided no such action shall demand possession or termination of the Lease. Any rents collected after closing shall be applied against the receivable as indicated by Tenant, provided if not specifically identifiable, rents collected after Closing from Tenant shall be applied: (i) first, rents due for the month in which such payment is received, (ii) second, to rents attributable to any period after Closing which are past due on the date of receipt,

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and (iv) third, to Delinquent Rents. After Closing, Seller shall promptly remit to Purchaser any rents received relating to periods after Closing and Purchaser shall promptly remit to Seller any Delinquent Rents received. The provision of this Section 9.1 shall survive Closing.

9.2 Real estate taxes, water, electricity, sewer, gas, telephone and other utilities and charges which are paid directly by Tenant under the Lease shall not be prorated.

9.3 To the extent that errors are discovered in, or additional information becomes available with respect to, the prorations and allocations made at Closing, Seller and Purchaser agree to make such post-Closing adjustments as may be necessary to correct any inaccuracy; however, all prorations (except for prorations and allocations of (i) ad valorem taxes, (ii) tenant reimbursables of taxes and operating expenses, as applicable and (iii) prorations or allocations that are then currently in dispute) shall be final no later than six (6) months after Closing.

10. DEFAULTS: FAILURE TO CLOSE.

10.1 If Purchaser shall fail to perform any of its obligations hereunder, and such failure is not corrected within five (5) business days after written notice from Seller (except that no such notice shall be required for a failure to close or pay the purchase price), Purchaser shall be in "default" hereunder. Upon a default by Purchaser, Seller may terminate this Contract and retain the Earnest Money as liquidated damages, as Seller's sole and exclusive remedy. Seller and Purchaser have made this provision for liquidated damages because it would be difficult to calculate, on the date hereof, the amount of actual damages for such breach, and these sums represent reasonable compensation to Seller for such breach.

10.2 If prior to Closing, Seller shall fail to perform any of its obligations hereunder, and such failure is not corrected within five (5) business days after written notice from Purchaser (except that no such notice shall be required for a failure to close), or if any representations or warranties made by Seller hereunder are or become materially untrue as the result of an act or omission of Seller and such materially untrue representation or warranty is not corrected within five (5) business days after receipt of written notice from Purchaser, then Seller shall be deemed to be in "default" under this Contract. Upon a default by Seller, Purchaser may as its sole and exclusive alternative remedies: (i) terminate this Contract and receive (a) a refund of the Earnest Money together with interest earned thereon and (b) solely in the event of Seller's willful default, payment to Purchaser of all of its actual and reasonable third party costs and expenses incurred in connection with this transaction, not to exceed \$25,000.00 in the aggregate, (ii) commence an action for specific performance or (iii) waive all claims on account of such default and proceed to Closing. Election of one or more of the aforesaid remedies shall preclude an election of others.

11. CASUALTY AND CONDEMNATION.

11.1 If the Building is destroyed or damaged by fire or other casualty (an "Occurrence") and not repaired and/or restored before Closing, and the cost of repairing such damage will exceed \$250,000.00 or Tenant exercises any right to terminate its Lease as a result thereof, the Closing shall occur on the latter of the Closing date specified above or thirty-five (35) days after the date of such Occurrence. Within thirty (30) days after such an Occurrence, Purchaser shall elect:

A. to terminate this Contract, in which event the Earnest Money deposited to date and interest earned thereon shall be refunded to Purchaser, and no party hereto shall have any claim against any other party hereto by virtue of this Contract, or

B. to close the sale and purchase contemplated hereby, in which event Purchaser shall be entitled to settle the loss with the insurance companies and to receive the proceeds of insurance applicable thereto, and thereupon Seller shall be relieved of all obligation to repair. To that end, Seller shall execute all necessary proofs of loss, assignments of claim and similar items as requested by Purchaser.

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If the cost of repairing the damage caused by such Occurrence will not exceed \$250,000 and Tenant does not exercise its right, if any, to terminate the Lease, Closing shall not be extended and Purchaser shall proceed to Closing in which event Purchaser shall be entitled to settle the loss with the insurance companies and to receive the proceeds of insurance applicable thereto, and thereupon Seller shall be relieved of all obligation to repair. To that end, Seller shall execute all necessary proofs of loss, assignments of claim and similar items as requested by Purchaser.

11.2 If between the Execution Date and the date of Closing, any portion of the Premises are taken under power of eminent domain, any condemnation or eminent domain proceedings are filed with respect to any portion of the Premises, or Seller receives written notice of an offer to purchase, in anticipation of condemnation if a negotiated price cannot be reached, from any authority with power of eminent domain with respect to any portion of the Premises, Purchaser may, within thirty (30) days after learning of such proceedings, at its option, elect either to:

A. terminate this Contract, in which event the Earnest Money deposited to date and interest earned thereon shall be refunded to Purchaser and no party hereto shall have any claim against any other party hereto by virtue of this Contract, or

B. close the transaction contemplated hereby, in which event Seller shall assign to Purchaser all of Seller's right, title and interest in and to any award made in connection with such condemnation or eminent domain proceedings; provided, that if Seller has received an award on account thereof, Seller shall credit Purchaser at Closing with an amount equal to such award.

If Purchaser fails to notify Seller of its election within said thirty (30) days, Purchaser shall be deemed to have elected A. above.

12. MISCELLANEOUS.

12.1 This Contract has been delivered by Purchaser on the date set forth on the first page of this Contract. The date of Purchaser's receipt of a fully executed original counterpart of this Contract (or a telecopy of the signature page with original counterpart to follow) shall be referred to as the "Execution Date".

12.2 All notices to be given hereunder shall be in writing and shall be delivered personally or sent registered or certified mail, return receipt requested, with postage prepaid or by Federal Express or other recognized overnight courier service, to the parties at their respective addresses set forth below:

Allianz Life Insurance Company of North America
c/o Allianz of America, Inc.
55 Greens Farms Road
P.O. Box 5160
Westport CT 06881-5160
ATTN: Real Estate Department
Fax telephone (203) 221-8531

with a copy to:

James G. Haft
McBride, Baker & Coles
500 W. Madison Street Suite 4000
Chicago, Illinois 60661
Fax telephone (312) 993-9350

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The mailing address of the Seller is as follows:

Corporate Office Properties Trust

c/o General Counsel
Corporate Office Properties Trust
8815 Centre Park Drive, Suite 400
Columbia, MD 21045
Fax Telephone 410-992-7534

12.3 This Contract and the Exhibits attached hereto contain the entire agreement between the parties in connection with this transaction, and there are no oral or parol agreements, representations or inducements existing between the parties relating to this transaction which are not expressly set forth herein and covered hereby. This Contract may not be modified except by a written agreement signed by all of the parties hereto. This Contract shall not be construed for or against Seller or Purchaser but shall be interpreted in accordance with the general tenor of the language in an effort to reach the intended result.

12.4 Time is of the essence of this Contract.

12.5 The captions and headings used in this Contract are for convenience only and do not in any way limit, amplify, or otherwise modify the provisions of this Contract.

12.6 This Contract shall be governed by the laws of the State of Maryland and the laws of the United States pertaining to transactions in Maryland. Any litigation brought to enforce this Contract shall be brought only in state or federal courts located in the State of Maryland.

12.7 This Contract shall bind and inure to the benefit of Seller and Purchaser and their respective heirs, executors, administrators, personal and legal representatives, successors and permitted assigns. Purchaser shall not assign this Contract without Seller's prior written consent, which consent may be withheld for any reason or no reason in Seller's sole discretion, except that Purchaser may, upon no less than five days prior written notice to Seller, assign this Contract to Corporate Office Properties Trust, Corporate Office Properties, L.P., or to any other entity or affiliate in which Corporate Office Properties Trust or Corporate Office Properties, L.P. has at least a ten percent (10%) equity ownership interest, provided, that no such assignment shall relieve Purchaser of its obligations or liabilities hereunder. This Contract is intended for the benefit of Purchaser and Seller, and no other person or entity shall be entitled to rely on this Contract, receive any benefit from it or enforce any provisions of it against Purchaser or Seller.

12.8 If any provision of this Contract is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable; this Contract shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Contract; and, the remaining provisions of this Contract shall remain in full force and effect and shall not be affected by such illegal, invalid, or unenforceable provision or by its severance from this Contract.

12.9 The written waiver by either party of the performance of any covenant, condition or promise shall not invalidate this Contract, nor shall it be construed as a waiver of any other covenant, condition or promise herein. The written waiver by either party of the time for performing any act shall not constitute a waiver of the time for performing any other act or any incidental act required to be performed at a later time. The delay or forbearance by either party in exercising any remedy or right, the time for the exercise of which is not specifically and expressly limited or specified in this Contract, shall not be considered a waiver of, or an estoppel against, the later exercise of such remedy or right.

12.10 In the event it becomes necessary for either party hereto to file suit to enforce this Contract or any provision contained herein, the party prevailing in such suit shall be entitled to recover, in

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addition to all other remedies or damages, as provided herein, reasonable attorneys fees incurred in such suit.

12.11 This Contract may be executed in a number of identical counterparts, each of which for all purposes is deemed an original, and all of which constitute collectively one (1) agreement; but in making proof of this Contract, it shall not be necessary to produce or account for more than one (1) such counterpart.

12.12 SELLER AND PURCHASER, FOR THEMSELVES AND THEIR RESPECTIVE HEIRS, ESTATES, PERSONAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS OR REMEDIES UNDER THIS CONTRACT.

12.13 Except as otherwise expressly provided herein, no conditions and no representations, warranties, covenants, agreements or other obligations of Seller in this Contract shall survive the Closing and no action based thereon shall be commenced after the Closing.

12.14 Deleted Intentionally.

12.15 Purchaser shall not record this Contract or any memorandum thereof.

12.16 Seller shall have the right to consummate this transaction in furtherance of a deferred exchange pursuant to Section 1031 of the Internal Revenue Code. Purchaser shall acknowledge and consent to any transfer by Seller of this Contract to a qualified exchange intermediary and otherwise cooperate with Seller's efforts to consummate such exchange, provided Purchaser shall not be obligated to incur any expense or liability in connection therewith, and in no event shall Closing be delayed as a result.

12.17 Purchaser shall have the right to consummate this transaction in furtherance of a deferred exchange pursuant to Section 1031 of the Internal Revenue Code. Seller shall acknowledge and consent to any transfer by Purchaser of this Contract to a qualified exchange intermediary and otherwise cooperate with Purchaser's efforts to consummate such exchange, provided Seller shall not be obligated to incur any expense or liability in connection therewith, and in no event shall Closing be delayed as a result.

12.18 Each party hereto represents to the other that it has not authorized any broker or finder to act on its behalf in connection with the sale and purchase hereunder, and that neither party has dealt with any broker or finder purporting to act on behalf of any other party. Each party hereto agrees to indemnify and hold harmless the other party from and against any and all losses, liens, claims, judgments, liabilities, costs, expenses or damages (including reasonable attorneys' fees and disbursements and court costs) of any kind or character arising out of or resulting from any agreement, arrangement or understanding alleged to have been made or dealing by such party or on its behalf with any broker or finder in connection with this Contract or the transaction contemplated hereby. The provisions of this Section 12.18 shall survive Closing or termination of this Contract.

12.19 Seller and Purchaser hereby covenant and agree that, at all times after the date hereof and prior to the Closing, unless consented to in writing by the other party, no press release or other public disclosure concerning this transaction shall be made, and each party agrees to use its reasonable efforts to prevent disclosure of this transaction, other than (a) to agents and affiliates of the parties who are involved in the ordinary course of business with this transaction and prospective investors and lenders, all of which shall be instructed to comply with the nondisclosure provisions hereof; (b) in response to lawful process or subpoena or other valid or enforceable order of a court of competent jurisdiction; and (c) in any filings with governmental authorities required by reason of the transactions provided for herein.

12.20 The following exhibits are attached hereto and incorporated herein:

- Exhibit "A" Legal Description
- Exhibit "B" Disclosures
- Exhibit "C" Permitted Exceptions
- Exhibit "D" Seller Deliveries
- Exhibit "E" Form of Estoppel Certificate
- Exhibit "F" Form of Assignment and Assumption of Lease
- Exhibit "G" Lease
- Exhibit "H" Special Warranty Deed
- Exhibit "I" Service Contracts
- Exhibit "J" Certificate Confirming Representations and Warranties

IN WITNESS WHEREOF, the undersigned have executed this Contract as of the date set forth above.

<p>SELLER:</p> <p>Allianz Life Insurance Company of North America</p> <p>By: <u> /s/ RONALD M. CLARK </u></p> <p>Name/Title: <u> Ronald M. Clark </u> <u> Assistant Treasurer </u></p> <p>Attest: <u> /s/ GARY BROWN </u></p> <p>Name/Title: <u> Gary Brown </u> <u> Assistant Treasurer </u></p>	<p>PURCHASER:</p> <p>COPT Acquisitions, Inc.</p> <p>By: <u> /s/ ROGER A. WAESCHE, JR. </u></p> <p>Name/Title: <u> Roger A. Waesche, Jr. </u> <u> Senior Vice President </u></p> <p>Attest: <u> /s/ STEPHANIE L. SHACK </u></p> <p>Name/Title: <u> Stephanie Shack </u> <u> Senior Counsel </u></p>
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EXHIBIT "A"

Legal Description

PARCEL 1

Being known and designated as parcel S-24 as shown on plat entitled "Columbia Gateway, parcels S-24 through S-26, a resubdivision of Columbia Gateway, parcels S-17 and S-18 as shown on plat no. 12674 and S-22 as shown on plat no. 12943", which plat is recorded among the Land Records of Howard County as plat nos. 13093 and 13094.

PARCEL 2

TOGETHER WITH perpetual non-exclusive easements established by Storm Drain and Storm Water Management Easements by The Howard Research and Development Corporation dated February 2, 1998 and recorded in Liber 4180 at folio 262 among the Land Records of Howard County, Maryland.

Commonly Known as: 7000 Columbia Gateway Drive, Columbia, Maryland
Tax I.D. No.: 06-557775

QuickLinks

[CONTRACT FOR PURCHASE OF REAL ESTATE \(Single-Tenant Property\)](#)

[RECITALS](#)

[AGREEMENT](#)

[EXHIBIT "A" Legal Description](#)

SALE CONTRACT

THIS SALE CONTRACT (this "Contract") is made and entered into as of the 7th day of June, 2002 by and between (i) **11800 TECH ROAD INVESTORS LLC**, a Delaware limited liability company, having an address at c/o The Goldstar Group, Inc., 7201 Wisconsin Avenue, Suite 775, Bethesda, Maryland 20815 (Attn.: Michael Brodsky, Tel. No. 301-657-8848, Fax No. 301-657-3698) ("Seller"), and (ii) **COPT ACQUISITIONS, INC.**, a Delaware corporation, having an address at c/o Corporate Office Properties Trust, 8815 Centre Park Drive, Suite 400 (Attn.: General Counsel, Tel. No. 410-992-7247, Fax No. 410-992-7534) ("Buyer").

RECITALS:

A. 11800 TECH ROAD LLC, a Delaware limited liability company ("the Company") is the owner of one or more parcels of land containing approximately 24.98 acres located at 11800 Tech Road, Silver Spring, Maryland, together with appurtenant building improvements consisting of approximately 239,577 net rentable square feet (the "Real Property"). The Real Property is more particularly described in Exhibit A attached hereto and made a part hereof. The Real Property includes (i) any and all furniture, fixtures, equipment, tools and machinery located at the Real Property and used in connection with the ownership or operation of the Real Property and owned by the Company (the "Tangible Personal Property"), (ii) except to the extent cancelled as of the closing of the transaction contemplated by this Contract ("Closing") at the written direction of Buyer, service and other contracts relating to the operation, maintenance and management of the Real Property (the "Service Contracts"), (iii) Seller's interest in leases, subleases, licenses, rental agreements and other occupancy agreements with tenants occupying or using all or any portion of the Real Property together with all amendments thereto (collectively, the "Leases"), and any guaranties applicable thereto and all security deposits, advance rental, or like payments (collectively, the "Security Deposits"), if any, held by Seller in connection with the Leases; (iv) except to the extent rendered invalid due to the change in control over the Company, any and all licenses, authorizations, permits and approvals issued by any governmental authority and relating to the Company's ownership and operation of the Real Property (the "Licenses and Permits"), and, except to the extent rendered invalid due to the change in control over the Company, all warranties and guarantees from vendors, if any (the "Warranties"), and (v) all right, title and interest of the Company in and to the use of any trade name or trademark applicable to the Real Property and all local and toll-free telephone numbers and listings for the Real Property operated by the Company, if any (the items described in clauses (i) through (iv) inclusive, but excluding the Excluded Assets, as defined herein, collectively, the "Personal Property") (the Personal Property together with the Real Property, to the extent assignable, is referred to herein as the "Property"). In this Contract, reference to the Property shall be understood (as the context requires) to apply to the Property owned by the Company.

B. Seller is the owner of one hundred percent (100%) of the membership interests in the Company (collectively, the "Membership Interests").

C. Seller has offered to sell and Buyer has offered to purchase the Membership Interests pursuant to this Contract.

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. PURCHASE AND SALE. Subject to the provisions of this Contract, Seller agrees to sell and convey and Buyer agrees to purchase all, but not less than all, of the Membership Interests.

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2. PURCHASE PRICE AND EARNEST MONEY. The purchase price for all of the Membership Interests shall be Twenty Seven Million Two Hundred Fifty Thousand and No/100 Dollars (\$27,250,000.00) (the "Total Purchase Price"). Simultaneously with the execution of this Contract Buyer shall deliver to the Escrow Agent (as defined in Section 4(a) below) the sum of Three Hundred Thousand and No/100 Dollars (\$300,000.00) (such amount, the "Earnest Money") in the form of immediately available funds, as and for Buyer's good faith deposit hereunder. The Earnest Money shall be held in escrow pending Closing. Buyer shall direct the Escrow Agent to invest the Earnest Money in an interest-bearing account. All interest accrued on the Earnest Money shall be added to and become part of the Earnest Money and shall be paid to the party entitled to the Earnest Money pursuant to the terms hereof. The Earnest Money shall be applied to the Purchase Price or otherwise paid to the Seller or Buyer as provided for herein. At Closing, Buyer shall pay the balance of the Purchase Price in full in immediately available funds to Seller, subject to adjustments and prorrations set forth herein, and in the manner provided in Section 4(a) below.

3. EFFECTIVE DATE. The effective date of this Contract (the "Effective Date") shall be the date on which this Contract is executed by both Seller and Buyer and a fully executed copy thereof received by both Seller and Buyer (provided that the signature of the Escrow Agent shall not be required to establish the Effective Date, but shall be a condition subsequent to the effectiveness of this Contract).

4. CLOSING:

(a) Closing Date and Escrow. Unless this Contract is terminated as permitted under this Contract, Seller and Buyer are required and agree to make full settlement in accordance with the provisions of this Contract on August 1, 2002 (the "Closing Date"). The Assignment (hereafter defined) and all other closing documents shall be executed by each party required to execute such documents and delivered in escrow to the Escrow Agent no later than noon the Business Day immediately preceding the Closing Date. No later than 5:00 pm on the Business Day immediately preceding the Closing Date, Buyer shall effect a wire transfer of immediately available funds to the Escrow Agent's escrow account in an amount equal to the sum of (i) the Purchase Price and (ii) the amount (if any) of the costs, expenses and adjustments payable by the Buyer under this Contract; however, the amount of the funds to be wired to the Escrow Agent's escrow account shall be reduced by the Earnest Money. On the Closing Date, (i) the Escrow Agent shall disburse to Seller and all applicable mortgage holders, by wire transfer of immediately available funds, an amount equal to the Purchase Price reduced by any costs, expenses and adjustments payable by Seller under this Contract, (ii) the Escrow Agent shall deliver to Buyer all other documents and instruments received by it which, in accordance with the terms of this Contract, are to be delivered by Seller to Buyer on the Closing Date and (iii) the Escrow Agent shall deliver to Seller all other documents and instruments received by it which, in accordance with the terms of this Contract, are to be delivered by Buyer to Seller on the Closing Date. In the event Seller has tendered performance in accordance with this Contract by 1:00 p.m. (eastern time) on the Closing Date and Buyer does not authorize the consummation of Closing and disbursement of funds deposited by or on behalf of Buyer with Escrow Agent to Seller before 1:00 p.m. (eastern time) on the Closing Date, Buyer shall be deemed in breach. For purposes of this Contract, the term "Escrow Agent" shall mean Anchor Title Company, 10715 Charter Drive, Suite 100, Columbia, Maryland 21044 (Attn: M. Charlotte Powel, President, Tel. No. 410-730-4545, Fax No. 410-730-7642).

(b) Seller's Deliveries: On the Closing Date, Seller shall deliver to Buyer (through the Escrow Agent or directly, as applicable) the following:

(i) an Assignment and Assumption of Membership Interests in substantially the form attached hereto as Exhibit B (the "Assignment"), duly executed by Seller, pursuant to which Seller shall assign all of the Membership Interests to Buyer, together with a written

resignation from each and every manager and officer of the Company effective as of the Closing Date;

(ii) letters or notices duly executed by The Goldstar Properties, Inc., a Maryland corporation (the "Seller's Agent") (with space provided for execution by Buyer), advising (A) each of the tenants, service providers and vendors at the Real Property of such changes in the payment of rent, ownership, or operation of the Real Property as the Buyer and Seller's Agent may reasonably request in writing not less than five (5) Business Days prior to Closing (the "Tenant and Vendor Letters"), and (B) each applicable regulatory authority designated by Buyer of the change in control over the Company effectuated by virtue of the Closing;

(iii) a certification as to the Seller's non-foreign status which complies with the provisions of Section 1445(b)(2) of the Internal Revenue Code of 1986, as amended, duly executed by Seller;

(iv) the Closing Statement between Seller and Buyer, duly executed by Seller's Agent, setting forth the prorations and adjustments to the Purchase Price to be made pursuant to Section 4 of this Contract; and

(v) possession of the Property, including originals of all Leases, Service Contracts (where available), keys, records and other items to be retained by the Company hereunder (it being agreed that Seller may retain copies of, and have reasonable access after Closing to, all financial records of the Company (a) pertaining to the period prior to Closing, and/or (b) which are necessary to prepare any post-Closing tax filings required to be performed by Seller's Agent under this Contract).

(vi) Certificate of Good Standing for Seller issued by the Delaware Secretary of State.

(vii) Certificate of Good Standing for Company issued by the Delaware Secretary of State and a certificate of foreign qualification for Company issued by the Maryland Secretary of State.

(c) Buyer's Deliveries. On the Closing Date, Buyer shall:

(i) execute and deliver the Assignment evidencing Buyer's assumption of the rights and obligations associated with the Membership Interests from and after the Closing Date;

(ii) pay the Purchase Price in accordance with the provisions of Section 4(a) hereof;

(iii) execute and deliver the Closing Statement between Seller and Buyer setting forth the prorations and adjustments to the Purchase Price to be made pursuant to Section 4 of this Contract; and

(iv) Execute the Tenant and Vendor Letters.

(d) Pre-Closing Deliveries. Not later than ten (10) days prior to the Closing Date, Seller's Agent shall provide to Buyer estoppel certificates executed by tenants occupying not less than 85% of the net rentable square foot area of the building improvements located on the Real Property, substantially in the same form as Exhibit C-1 attached hereto as to the General Services Administration and substantially in the same form as Exhibit C-2 attached hereto as to all other tenants of the Property, the execution and delivery of which shall be a condition precedent to Buyer's obligation to proceed to Closing hereunder.

(e) Adjustments. The following items of expense shall be adjusted as of 11:59 p.m. of the day immediately preceding the Closing Date as if the Buyer were purchasing the Real Property instead of the Membership Interests:

(i) Real estate and other county and local assessments and personal property taxes with respect to the Real Property and the Tangible Personal Property. If the Closing Date occurs before the tax rate or assessment is fixed for the tax year in which the Closing Date occurs, the apportionment of taxes shall be upon the basis of the tax rate or assessment for the preceding year applied to the latest assessed valuation, and Seller and Buyer shall readjust real estate taxes promptly upon the fixing of the tax rate or assessment for the tax year in which the Closing Date occurs.

(ii) Sales and business taxes, LLC annual filing fees, and business license, inspection and similar fees, due in respect of operations conducted from the Property, operations engaged in by the Company and/or which are required to be paid in connection with the continued legal existence and good standing of the Company.

(iii) Fuel, water and sewer service charges and charges for gas, electricity, telephone and all other public utilities, including utility deposits. If there are meters on the Real Property measuring the consumption of water, gas or electric current, Seller's Agent shall use reasonable efforts to schedule a meter reading on the Business Day prior to Closing Date (and in all event not more than three (3) Business Days prior to the Closing Date), and shall pay (or cause the Company to pay promptly) all utility bills for which Seller or the Company are liable upon receipt of statements therefor. Buyer shall be liable for and shall pay all utility bills for services rendered after such meter readings. On the Closing Date, Seller shall receive a credit on the Closing Statement for all utility deposits that have been made with the applicable utility companies for utility service to the Real Property.

(iv) All charges payable or prepaid with respect to any and all service or other contracts relating to the operation of the Real Property that are assigned to Buyer at Closing.

(v) The rent payable by tenants under the Leases shall be adjusted, and any such rent prepaid to Seller (including *pro rata* portion of the rent collected prior to Closing for the month in which the Closing occurs) shall be paid or credited to Buyer at Closing. Any rent collected after the Closing Date from any tenant who owed delinquent rent as of the Closing Date shall be applied first to any rent due and payable by such tenant for the month in which the Closing Date occurred, second to any rent then due and payable for the period after Closing, and third to any arrearage owed by such tenant on the Closing Date in the inverse order of maturity. For a period of six (6) months after Closing, Buyer shall cause the Company to use commercially reasonable and diligent efforts to collect delinquent rent.

(vi) Schedule 5(a)(v) includes a list of amounts due and owing by the Company to tenants under the Leases in connection with tenant improvement work ("TI Costs"). To the extent not paid by the Company to the tenants prior to Closing, Buyer shall receive a credit at Closing for such TI Costs.

(vii) Schedule 5(a)(v) includes a schedule of all security deposits and other pre-paid amounts being held on behalf of tenants that have been deposited by tenants under, and not previously applied in accordance with, the respective leases, together with any interest that may be required under the leases to be accrued

thereon as of the Closing Date. All such security deposits and prepaid amounts (including interest as aforesaid) required to be held by the Company and not applied in accordance with the applicable leases shall continue to be held by the Company and not deemed Excluded Assets, as defined below, or transferred as assets of the Company.

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(vii) Seller shall be entitled to (i) arrange for direct payment by the applicable mortgagee to Seller of the balance of all deposits and escrowed amounts held by any mortgage holder which otherwise constitute the property of the Company (or to apply same to the loan payoff amount at Closing), and (ii) cause the Company to distribute to Seller on or before the Closing Date all cash balances of the Company as of the Closing Date, it being agreed that Buyer is not purchasing any cash currently on account for the credit of the Company as part of its purchase of the Membership Interests.

(viii) Other expenses of operating or owning the Real Property not specifically addressed above, with those paid or accruing through the Closing Date being Seller's responsibility and those accruing on and after the Closing Date being the Company's (and Buyer's) responsibility.

If any of the items described in this Section 4 cannot be apportioned at Closing because of the unavailability of the amounts which are to be apportioned or otherwise, or are incorrectly apportioned at Closing or subsequent thereto, such items shall be apportioned or reapportioned, as the case may be, as soon as practicable after the Closing Date or the date such error or additional information is discovered, as applicable. This Section 4(e) shall survive the Closing Date for six (6) months.

(f) Excluded Assets.

All items listed below shall constitute "Excluded Assets" hereunder, and shall not be transferred as assets of the Company at Closing, but rather, shall be transferred or distributed by the Company to Seller at or prior to Closing (or otherwise handled as provided below):

(i) Any and all cash, certificates of deposit, cash equivalents, bank accounts, accounts receivable, utility or other deposits and similar items belonging to the Company prior to or as of the Closing Date, and which are not expressly provided by this Contract to be transferred to Buyer or to be subject to proration in accordance with the preceding terms of this Contract, shall become, as of the Closing Date, the sole property of the Seller, and not that of the Company.

(ii) All proceeds payable under any insurance policies maintained by the Company with respect to occurrences or losses prior to Closing shall be the sole property of Seller, all such insurance policies to be terminated by Seller effective as of the Closing, and Buyer shall cause the Company to obtain new insurance of every kind and nature that Buyer deems appropriate as of and after the Closing Date.

(iii) The management agreement between the Company and Seller's Agent pertaining to the Property (the "Goldstar Management Agreement") which shall be deemed terminated as of Closing.

(iv) Buyer shall cooperate with Seller, upon the request of Seller, on behalf of the Company or separately, to execute such documentation as may be required to vest the title to any of the foregoing Excluded Assets in the name of Seller. Prior to Closing, Seller shall have the right to cause the Company to take such actions and execute such documents and instruments as may be necessary to transfer such Excluded Assets from the Company to the Seller. In the event that any items cannot be refunded to Seller, Buyer shall reimburse Seller therefor by a credit on the Closing Statement.

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(g) Provisions Applicable to Escrow Agent. Escrow Agent shall be subject to the following terms and conditions:

(i) The duties and obligations of Escrow Agent shall be determined solely by the express provisions of this Contract and no implied duties and obligations shall be read into this Contract against Escrow Agent.

(ii) Escrow Agent shall be entitled to rely upon, and shall not be subject to any liability in acting in reliance upon, any joint writing furnished to Escrow Agent by Buyer and Seller and shall be entitled to treat as genuine the document that such joint writing purports to be, including any letter, paper, or other document furnished to Escrow Agent in connection with this Contract.

(iii) In the event of any disagreement between Buyer and Seller resulting in adverse claims and demands being made in connection with or against the Earnest Money, Escrow Agent shall refuse to comply with the claims and demands of either party until such disagreement is finally resolved, either by Buyer and Seller, as evidenced by a joint writing reflecting such resolution and delivered to Escrow Agent pursuant to subparagraph (b), above, or by a court of competent jurisdiction in a proceeding which Escrow Agent or any other party may initiate, it being understood and agreed by Buyer and Seller that Escrow Agent shall have the right (but not the obligation) to initiate any such proceedings.

(iv) Subject to the provisions of this Contract relating to a default by either of the parties hereto, in the event of a termination of this Contract by either Seller or Buyer as permitted by the terms hereof, Escrow Agent is authorized and directed by Seller and Buyer to deliver the Earnest Money to the party entitled thereto pursuant to the terms hereof not less than six (6) nor more than ten (10) Business Days after the receipt by Escrow Agent and the non-terminating party of written notice of termination delivered by the terminating party in accordance with this Contract and receipt of evidence satisfactory to Escrow Agent that the non-terminating party has, in fact, received written notice of such termination in accordance herewith unless, within five (5) Business Days after Escrow Agent's receipt of such termination notice, the non-terminating party notifies Escrow Agent that it disputes the right of the terminating party to receive the Earnest Money (which notice shall state on its face a factual and/or legal basis for such dispute with reasonable specificity). For purposes of the immediately preceding parenthetical, Escrow Agent shall not be required to inquire as to the merits of any claimed dispute, but may accept a mere statement of its existence as a grounds to act in accordance with this Section. In such event, Escrow Agent shall either continue to hold the Earnest Money or interplead the Earnest Money into a court of competent jurisdiction until such dispute is resolved. All attorneys' fees and costs of Escrow Agent incurred in connection with any such dispute or interpleader shall be assessed against the party that is not awarded the Earnest Money, or if the Earnest Money is distributed in part to both parties, then in the inverse proportion of such distribution.

(v) If this escrow shall be involved in any litigation or controversy, the parties shall hold the Escrow Agent free and harmless against any cost or expense that may be suffered by it by reason of such litigation or controversy, other than due to its negligence or malfeasance. In addition, the party who prevails in any such litigation shall be indemnified by the non-prevailing party from and against any cost or expense, including reasonable attorneys' fees (both at trial and on appeal) associated with such litigation, as well as the replacement of any depletion in the escrow funds, if such funds are ultimately to be paid to the prevailing

party.

(vi) Prior to the earlier of the Closing or the termination of this Contract in accordance with its terms, neither party shall have the right to withdraw any instruments or monies deposited by them with the Escrow Agent, except as herein specifically provided.

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5. REPRESENTATIONS AND WARRANTIES; INDEPENDENT INVESTIGATION, ETC.

(a) Representations of Seller. Seller represents and warrants to Buyer that, except as may be disclosed by any documents or materials delivered by Seller to Buyer and listed on Exhibit D hereto, and/or made available to or otherwise obtained by Buyer or Buyer Parties (as defined in Section 6, below) prior to the Effective Date (collectively, the "Evaluation Materials"):

(i) Organization and Authorization. Seller is a limited liability company duly organized and in good standing in the state of Delaware. Seller owns one hundred percent (100%) of the membership interests of the Company, and will transfer unencumbered ownership of such membership interests to Buyer at Closing. The individual executing this Contract on behalf of Seller is duly authorized to execute this Contract on behalf of Seller. The execution and delivery of this Contract and the performance of all obligations of Seller hereunder have been duly authorized. The Company is a limited liability company, duly organized and in good standing in the state of Delaware, is fully authorized to transact business in the State of Maryland, and has conducted no business other than the ownership and operation of the Real Property since formation. The Company has full limited liability company power and authority necessary to carry on the business in which it is engaged and to own and use the Real Property in the manner in which it is owned and used as of the date of this Contract. The Seller's Agent has delivered to the Buyer true correct and complete copies of the Operating Agreement and Articles of Organization of the Company. Seller shall not make or permit any modification of or amendment to the Operating Agreement or the Articles of Organization of the Company after the date of this Contract to and until the Closing Date.

(ii) No Conflicting Agreements. The transfer and delivery by Seller of the Membership Interests to Buyer as provided hereunder and the performance by Seller of its obligations under this Contract will not conflict with or result in the breach of any of the terms of any agreement or instrument to which Seller or the Company is a party (other than financings intended to be repaid in full as of the Closing Date).

(iii) FIRPTA. Seller is not a "foreign person" within the meaning of the United States tax laws and to which reference is made in Internal Revenue Code Section 1445(b)(2).

(iv) No Consents. Seller is not aware of any consents required for the performance of Seller's obligations hereunder.

(v) Rent Roll. Attached as Schedule 5(a)(v) is a rent roll for the Property, dated as of the Effective Date, which, to Seller's knowledge, is true and correct in all material respect as of the date thereof. Except as set forth in Schedule 5(a)(v), there are, to Seller's knowledge, no leases, license agreements or other occupancy agreements (or any amendments or supplements thereto) now in effect with respect to the Real Property other than as reflected on the rent roll. Schedule 5(a)(v) also includes a schedule of the Security Deposits, together with any interest that may be required under the Leases to be accrued thereon as of the Closing Date. No more than five (5) days before Closing, Seller shall provide an updated rent roll, which, to Seller's knowledge shall be true and correct in all material respect as of the date thereof.

(vi) Contracts. Attached as Schedule 5(a)(vi) is a list of contracts currently in effect to which the Company are a party (collectively, the "Service Contracts"), which list, to Seller's knowledge, is true and correct in all material respect as of the date thereof. To Seller's knowledge, other than the Service Contracts, and as may be reflected within the Leases and Permitted Exceptions, there are no service contracts to which the Company is a party that will be in effect on the Closing Date which are not terminable within thirty (30) days without cause or penalty, and there are no other agreements (i) providing for the payment from and

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after the Closing Date of leasing commissions or fees for procuring tenants with respect to the Property, or (ii) to Seller's knowledge, providing for the payment of any leasing commissions or fees upon the future exercise by such tenants of extension or expansion rights set forth in their Leases.

(vii) Condemnation. As of the Effective Date, Seller has not received, and to its knowledge the Company has not received, any written notice of any pending or threatened condemnation of all or any portion of the Real Property.

(viii) Litigation. Seller has not received, and to its knowledge the Company has not received, any written notice of any litigation that is pending or threatened with respect to the Company, the Membership Interests, or the Real Property, except litigation set forth in Schedule 5(a)(viii).

(ix) Membership Interests. As of Closing, there will be no members of the Company other than the Seller. At Closing, Seller will transfer the Membership Interests owned by it to Buyer free and clear of any restrictions on transfer, assignment or sale, liens, encumbrances, exceptions, taxes, security interests, options, warrants, purchase rights, contracts, commitments, equities, claims, liabilities, covenants, agreements and demands. The foregoing notwithstanding, Buyer acknowledges that the Membership Interests are not registered under the Securities Act of 1933, or any other federal or state securities laws, and may be subject to any restrictions on resale that may be applicable thereunder, if any. The Seller is not (and at Closing will not be) party to any voting trust, proxy, or other agreement or understanding with respect to the Membership Interests (other than the Operating Agreements).

(x) Taxes. The Company is not delinquent in its obligation to file Federal, state and local income tax returns, and/or limited liability company annual or other filings in Delaware or Maryland, required to be filed by it, nor to pay Federal, State and local income taxes and/or limited liability company annual or other filing fees in Delaware or Maryland required to be paid by it. Seller will cause final income tax returns for the Company to be filed for the partial tax year ending on the Closing Date prior to delinquency, will pay all taxes due from it in connection or as shown on such filings prior to delinquency, and will provide a copy thereof to Buyer promptly after filing. In addition, Seller's Agent will, prior to Closing, cause the Company to file all applicable business tax returns, personal property tax returns and/or limited liability company filings in Delaware and Maryland that are then required to be filed (e.g., for all tax reporting periods that are "closed" as of the Closing Date) even if the date of delinquency for such tax filings would not occur until after the Closing Date, and will pay all taxes and/or fees due in connection with or as shown on such filings.

(xi) Environmental Conditions. Except as disclosed in the Reports (as hereinafter defined) and except as to the activities of Biocore, Inc., a tenant at the Property as to which Seller makes no representation, to Seller's knowledge, no Hazardous Materials are located upon or within the Property. The term "Hazardous Materials" shall mean: (A) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976, as amended from time to time, and related regulations; (B) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time, and related regulations; (C) oil petroleum products and their byproducts; (D) any hazardous levels of asbestos or radon gas; (E) polychlorinated biphenyls (PCBs); (F) flammable explosives; and (G) radioactive materials. Seller has not received a summons, citation, directive, notice, complaint or other written communication from the United States Environmental Protection Agency or the Maryland Environmental Service or other governmental authority concerning any alleged violation of any environmental law or rule or regulation at the Real Property.

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(xii) Good and Marketable Title. To Seller's knowledge, the Company has good and marketable fee simple title to the Property, free and clear of any liens, deeds of trust, pledges, security interests, leases, charges, encumbrances or restrictions of any kind, except the Permitted Exceptions and Seller Obligations.

(xiii) Employees of Company. The Company does not have any employees.

(xiv) Insurance. The Company currently has in place public liability, casualty and other insurance coverage with respect to the Property in the amounts reflected in the certificates of insurance to be provided to Buyer. The insurance coverage reflected in such certificates of insurance is in full force and effect, and all premiums due and payable thereunder have been fully paid. No notice of cancellation has been received or threatened with respect thereto. No insurance company insuring either the Real Property or the Personal Property nor the Board of Fire Underwriters has delivered to Seller oral or written notice (i) that any insurance policy now in effect would not be renewed, (ii) that Seller or any tenant under the Leases has failed to comply with insurance requirements, or (iii) that defects or inadequacies exist in the Real Property, or in any part thereof, which could adversely affect the insurability thereof or the cost of such insurance.

(xv) Compliance with Laws. To Seller's knowledge, neither Seller nor Company has received any written notice of any violation of any federal, state, county or municipal laws, ordinances, regulations and requirements affecting the Property or any portion thereof (including the conduct of business operations thereon), or of any recorded covenants, easements or other agreements affecting the Property.

Except as expressly set forth in this Contract, it is understood and agreed that Seller is not making and has not at any time made any warranties or representations of any kind or character, express or implied, with respect to the Company, the Membership Interests or the Real Property, including, but not limited to, any warranties or representations as to habitability, merchantability, fitness for a particular purpose, the physical condition of the Real Property, the presence or absence of hazardous or toxic materials or chemicals in, at or under the Real Property, or any other matter or thing regarding the Real Property. Buyer acknowledges and agrees that, except as expressly set forth in this Contract, the transfer of control over the Real Property effectuated by virtue of the sale of the Membership Interests from Seller to Buyer is, "AS IS, WHERE IS, WITH ALL FAULTS." Buyer shall rely solely on its own investigation with respect to the Real Property, including the Real Property's physical, environmental and economic conditions and the compliance or lack thereof with any ordinance, order, permit or resolution.

(b) Buyer's Independent Investigations. Buyer acknowledges that it is being given the full opportunity to inspect and investigate each and every aspect of the Real Property during the Feasibility Period (as defined in Section 6(d)), either independently or through agents, representatives or experts of Buyer's choosing, as Buyer considers necessary or appropriate, and its failure to give the Termination Notice (as defined in Section 6(d)) shall conclusively evidence Buyer's complete satisfaction with such independent investigation.

(c) Guaranty of Goldstar. As a condition precedent to entering into this Contract, The Goldstar Group, Inc., a Maryland corporation ("Goldstar"), has agreed to assume liability for any breach of Seller's representations and warranties as set forth in this Section 5.

(d) Release. Without limiting the provisions of this Section 5, Buyer waives its right to recover from, and forever releases and discharges, and covenants not to sue, (i) Seller, (ii) Seller's affiliates, asset manager, Seller's Agent, Goldstar, lenders, partners, members, manager(s), trustees, shareholders, controlling persons, directors, officers, attorneys, employees, agents, advisors, successors and assigns and (iii) the affiliates, partners, members, managers, trustees, shareholders,

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controlling persons, directors, officers, attorneys, employees, agents, advisors, heirs, successors, personal representatives and assigns of each party listed in clause (ii) immediately above (the parties described in clause (i)—(iii) of this Section 5(c) are individually referred to as a "Seller Party" and collectively as the "Seller Parties") with respect to any and all claims, whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with the Real Property or the business of the Company, including, without limitation, the physical, environmental and structural condition of the Real Property or any law or regulation applicable thereto, including, without limitation, any claim or matter relating to the use, presence, discharge or release of Hazardous Materials on, under, in, above or about the Real Property; provided, however, that Buyer does not waive its rights, if any, to recover from, and does not release or discharge or covenant not to sue the Seller or Goldstar for (i) any act that is found by a court of competent jurisdiction to constitute intentional fraud, (ii) any breach of Seller's representations or warranties set forth in this Section 5, subject to the limitations and conditions on any such suit as provided in this Contract or (iii) any breach of Seller's obligations set forth in this Contract that expressly survive Closing.

(d) Intentionally Deleted.

(e) Buyer's Representations. Buyer represents to Seller that:

(i) Organization and Authorization. Buyer is an entity duly organized and in good standing in the state of its organization. The individual executing this Contract on behalf of Buyer is duly authorized to execute this Contract on behalf of Buyer. The execution and delivery of this Contract and the performance of all obligations of Buyer hereunder have been duly authorized.

(ii) No Conflicting Agreements. The purchase of the Membership Interests by Buyer as provided hereunder and the performance by Buyer of its obligations under this Contract will not conflict with or result in the breach of any of the terms of any agreement or instrument to which Buyer is a party.

6. BUYER'S INSPECTIONS AND FEASIBILITY PERIOD.

(a) Within three (3) Business Days after the date of full execution of this Contract, Seller shall deliver to Buyer copies of all Leases, test borings, surveys, title materials, environmental studies, plans, engineering and architectural data, and other tests, studies, and reports listed on Exhibit D hereto (collectively, the "Reports") now in the possession or control of Seller or Seller's Agent relating to the Real Property, at no cost to Buyer. Seller shall give the Buyer and its partners, members of its partners, managers of members of its partners, officers, directors, employees, agents, advisors, prospective mortgagees, consultants and representatives (each, a "Buyer Party" and collectively, the "Buyer Parties"), reasonable access to the Property during normal business hours and after reasonable prior notice, for the purpose of performing any reasonable tests, studies and investigations, including, without limitation, environmental inspections, property condition reports and an updated survey of the Real Property. Buyer shall repair or, at Seller's election, pay Seller on demand the reasonable cost of repairing, any damage to any Property caused by any of the Buyer Parties during the course of any such entries on the Real Property.

(b) By Buyer's execution of this Contract, Buyer agrees (i) to indemnify, defend and hold Seller, the Company, and the Seller Parties free and harmless from and against any and all costs, losses, damages and expenses of any kind or nature whatsoever (including reasonable attorneys' fees and costs) arising out of or resulting from the entry and/or the conduct of activities upon the Real Property by the Buyer Parties and their respective employees, agents, representatives, contractors, subcontractors or attorneys, and (ii) that, in the event Closing of the transaction

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contemplated by this Contract does not occur, upon request, Buyer will deliver promptly to Seller copies of all third-party reports and surveys commissioned by or on behalf of Buyer with respect to the Real Property. The preceding sentence shall survive Closing.

(c) In conducting any inspections of the Property, no Buyer Party shall (i) contact or have any discussions from and after the Effective Date with any tenant of the Real Property or any agent, representative or contractor of Seller or the Company, unless in each case Buyer obtains the prior consent of Seller, which consent shall not be unreasonably withheld, it being agreed that all such requests for consent shall be directed to Michael Brodsky of the Seller's Agent, (ii) interfere with day-to-day operations of the Company and/or tenants of the Real Property, or (iii) damage the Real Property or any portion thereof. Buyer shall schedule and coordinate all on-site inspections with Seller's Agent and shall attempt to give Seller's Agent at least two (2) Business Days' prior written notice thereof. Seller shall be entitled to have a representative present at all times during each such on-site inspection. All inspection fees, appraisal fees, engineering fees and other costs and expenses of any kind incurred by any Buyer Party relating to such inspection of the Property and its other due diligence activities shall be at the sole expense of Buyer. The Buyer Parties shall not be permitted to conduct any intrusive or invasive environmental tests or inspections, including, without limitation, borings or drilling in or on the Real Property, without the prior consent of Seller's Agent (and, if such consent is given, Buyer shall repair and restore, or at Seller's election, pay to Seller on demand the reasonable cost of repairing and restoring, any damage caused directly or indirectly by the aforesaid intrusive or invasive testing). Buyer shall not itself file or record, and shall prevent any other Buyer Party from filing or recording, any lien, judgment or encumbrance against any Property for fees or expenses payable in connection with any inspection conducted by or on behalf of the Buyer Parties; without limiting the foregoing, Buyer shall, at its sole cost and expense, promptly discharge of record any such liens, judgments or other encumbrances that are filed or recorded against the Real Property as a result of Buyer's inspection conducted pursuant to this Contract (including, without limitation, liens for services, labor or materials furnished).

(d) If, during the period ending thirty (30) days after the first to occur of June 1, 2002 or the date of this Contract (the "Feasibility Period"), Buyer gives Seller written notification (the "Termination Notice") that Buyer elects not to consummate the purchase of the Membership Interests, this Contract shall terminate, the Earnest Money and the interest thereon shall be returned to Buyer, and neither party shall have any further liability to the other under this Contract except with respect to obligations that expressly survive the termination hereof. Buyer shall have the absolute right, in its sole discretion, to determine whether to give the Termination Notice. If Buyer elects not to give (or otherwise fails to give) the Termination Notice prior to the expiration of the Feasibility Period, this Contract shall remain in full force and effect in accordance with, and subject to, its terms, the Earnest Money shall become non-refundable except in case of a default by Seller or the failure of a condition precedent to Closing existing in favor of Buyer, and Buyer shall have no further right to terminate this Contract.

(e) The obligations of Buyer under this Section 6 shall survive any termination of this Contract.

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7. INTERIM OPERATION OF THE REAL PROPERTY.

(a) Except as otherwise contemplated or permitted by this Contract or approved by Buyer in writing, from the Effective Date to the Closing Date, Seller agrees that it will, or will cause the Company to, operate, maintain and repair the Real Property in the ordinary course, consistent with the Company's past practices and will not dispose of or encumber the Real Property, except for dispositions of personal property in the ordinary course of business or as otherwise permitted by this Contract. This covenant shall not include any obligation on the part of Seller or the Company to make capital expenditures or any other expenditures not incurred in the normal course of business of the Company or Seller.

(b) Seller shall not, and shall not permit the Company to, enter into any new lease or agreement to create a lien or encumbrance on any of the Property without Buyer's prior written consent, which consent shall not be unreasonably withheld or delayed with respect to any utility or similar easement necessary for the operation of a Real Property, and which consent shall be deemed granted if Buyer does not respond in writing to Seller's request for consent within three (3) Business Days. Seller will provide Buyer with a fully executed copy of any new leases entered into pursuant to this Section 7(b) not more than five (5) Business Days after execution and delivery thereof by the Company and such new tenant.

(c) Schedule 5(a)(vi) reflects, and Seller has included in the Evaluation Materials, copies of all contracts entered into by Seller and/or the Company prior to Effective Date, excluding the Goldstar Management Agreement. The Company shall not enter into any further such contracts after the Effective Date without Buyer's prior written consent, which consent shall be deemed granted if Buyer does not respond in writing to Seller's request for consent within three (3) Business Days. All such contracts shall be negotiated at arm's length, with unrelated third parties, and at market terms, in order to replace existing service contracts that Seller determines, in Seller's good faith judgment, are reasonably required to be replaced for the prudent operation of the Real Property. Seller will provide Buyer with a fully executed copy of any new contract entered into pursuant to this Section 7(c) not more than five (5) Business Days after execution and delivery thereof by the Company and such new service provider.

(d) Between the Effective Date and the Closing Date, Seller shall cause the Company to continue to maintain its existing insurance coverage relating to the Real Property.

(e) Seller shall not create or voluntarily permit to be created any liens, easements or other conditions affecting any portion of the Property without the prior written consent of Buyer, and shall convey title to the Property to Buyer at Closing free and clear of all options, rights, covenants, easements, liens and other rights in favor of third parties except the Permitted Exceptions and the Leases.

(f) From and after the end of the Feasibility Period, Seller shall not market the Real Property for sale to any other party.

(g) Seller shall terminate, effective as of the Closing Date, all Service Contracts which are rejected pursuant to written notice delivered by Buyer to Seller no later than thirty (30) days prior to the Closing Date. Seller is hereby notified to terminate all employment agreements and the property management agreement(s) with respect to the Property. Further, Seller is hereby notified and hereby acknowledges that Buyer will not assume at Closing any leasing, brokerage and commission agreements in effect with respect to the Property and/or the Leases, except as otherwise expressly provided in this Contract.

8. TITLE. To Seller's knowledge, the Company has good and marketable fee simple title to the Property, free and clear of any liens, deeds of trust, pledges, security interests, leases, charges, encumbrances or restrictions of any kind, except the Permitted Exceptions and Seller Obligations. After

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the Effective Date, Seller shall not execute, and shall ensure that the Company does not execute, any deed, easement, restriction or covenant affecting title to the Real Property unless permitted under Section 7(b), above, or Buyer has received a copy thereof and has expressly approved the same in writing, which approval shall not be unreasonably withheld, conditioned or delayed. All mortgages, deeds of trust and liens or encumbrances that secure the payment of money created by Seller and/or the Company against the Real Property shall be paid at or before Closing (the items in this clause (ii) collectively, "Seller Obligations"), it being understood and agreed that Seller shall have the right to have the Escrow Agent apply a corresponding portion of the Purchase Price proceeds at Closing for such purpose.

9. COSTS. Buyer shall pay the cost of (i) all premiums and charges in connection with any Title Commitment (as defined in Section 10) or Title Policy (hereinafter defined) (including endorsements) issued to Buyer, (ii) the cost of preparing a survey, (iii) all recording and filing charges, if any, in connection with the instrument by which Seller conveys the Membership Interests, (iv) all escrow or closing charges, (v) all costs of Buyer's due diligence, including fees due its consultants and attorneys, (vi) all brokers' fees and commissions for any broker retained by Buyer, (vii) all lenders' fees related to any financing to be obtained by Buyer, and (viii) all costs, fees and charges for the reissuance of any Licenses and Permits to Buyer or the Company, or any new Licenses and Permits (or other filings) required to reflect the change in control over the Company, in connection with the transfer of the Membership Interests (and the resulting transfer of control over the Company) to Buyer. With regard to sales taxes, transfer taxes, recordation taxes and similar charges, if any, that are applicable to the transfer of the Membership Interests to Buyer, the parties believe that no such taxes are applicable, but, if they are, the parties agree to divide them equally. Each party shall pay the fees and costs of its own counsel.

10. TITLE MATTERS. Buyer has ordered, or will order, within three (3) Business Days following the Effective Date, a title insurance commitment (the "Title Commitment") from Anchor Title Company (the "Title Company") and shall arrange for the Title Company to simultaneously deliver a copy thereof (as well as any updates or supplements thereto) to Seller and Seller's counsel (as set forth in Section 18). Buyer shall notify Seller in writing (the "Buyer's Title Objection Letter") of any title matters listed in the Title Commitment or matters depicted on the updated survey of which Buyer disapproves (the "Title Objections") prior to the end of the Feasibility Period, except that Buyer shall not object to any Seller Obligations, it being understood and agreed by the parties that Seller shall be obligated to satisfy all Seller Obligations by the Closing Date. Any matters to which Buyer does not object as provided above (other than those matters to which it is not required to object as provided above) shall be deemed to be Permitted Exceptions, as defined herein. At or before the Closing Date, Seller shall satisfy all matters customarily included on Schedule B-1 of the Title Commitment (other than matters that are the Buyer's responsibility). Seller shall notify Buyer within five (5) Business Days of Seller's receipt of Buyer's Title Objection Letter whether Seller is willing to satisfy the Title Objections (the "Seller Notice"). If Seller fails to deliver the Seller Notice within the time period required hereunder, Seller shall be deemed to have given Buyer notice that Seller shall not cure or satisfy any Title Objection. If Seller is unwilling (or deemed unwilling) to satisfy the Title Objections, Buyer shall have the option, by giving written notice to Seller and Escrow Agent within two (2) Business Days of the expiration of the time period required for the delivery by Seller of the Seller's Notice, to either (i) terminate this Contract, in which event the Earnest Money shall be returned to Buyer, this Contract shall terminate, and the parties shall have no further obligations or liabilities hereunder (except for any obligations which expressly survive termination), or (ii) waive the Title Objections, in which event the parties shall proceed to Closing hereunder. If Seller is not able, fails or refuses to satisfy any Seller Obligations or other Title Objections which Seller had expressly agreed to satisfy or cure at or before the Closing Date, then Buyer may elect either (i) to terminate this Contract by written notice to Seller and Title Company, in which event the Earnest Money shall be returned to Buyer, this Contract shall terminate, and the parties shall have no further obligations or liabilities

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hereunder (except for any obligations which expressly survive termination), (ii) to pay over to the Title Company the amount necessary to cause the applicable liens and Title Objection(s) to be removed from title, or (iii) to waive the unsatisfied Title Objections and proceed to Closing, in which event the unsatisfied Title Objections will become Permitted Exceptions. Any easements, covenants, restrictions, exceptions of record (other than Seller Obligations) that are shown on the Title Commitment to which Buyer has not objected as set forth above, together with (a) all laws, ordinances, statutes, orders, requirements and regulations to which the Real Property is subject, and (b) all terms, conditions and provisions of all written leases of space for all or any portion of the Real Property shown on Schedule 5(a)(v), Schedule 5(a)(vi) or entered into after the Effective Date in accordance with this Contract, and (c) any exception from an updated survey, and all matters described above as Permitted Exceptions are hereinafter collectively referred to as "Permitted Exceptions." If Buyer does not deliver the Termination Notice, Buyer shall be deemed to have approved the Permitted Exceptions. Seller shall have no obligation to cure any title defect or satisfy any other title matters other than as specifically provided for above. If the Title Company notifies the parties of any additional exceptions to title after the Expiration of the Feasibility Period, Buyer shall have three (3) Business Days from the date of delivery of any such title supplement within which to object to the same by written notice to Seller. If Buyer does not timely deliver such objection notice to Seller, Buyer shall be deemed to have approved all such additional exceptions, each of which shall be deemed a Permitted Exception. With respect to any supplemental title matter to which Buyer has timely objected, Seller shall notify Buyer within ten (10) Business Days of receipt of Buyer's objection notice whether Seller intends to endeavor to cure such title matter, failing which Seller shall be deemed to have elected not to cure the matter. If Seller elects (or is deemed to have elected) not to cure a title defect, Buyer shall have the right to terminate this Contract by written notice to Seller given within five (5) Business Days after Seller's notice or deemed election not to cure, failing which, any such defect shall be deemed a Permitted Exception and Buyer shall proceed to Closing without any reduction or abatement in the Purchase Price. If Buyer elects to terminate this Contract, then upon giving the requisite written notice of termination to Seller, this Contract shall terminate, the Earnest Money and the interest thereon shall be returned to Buyer, and neither party shall have any further liability to the other under this Contract except with respect to obligations that expressly survive the termination hereof. Notwithstanding anything contained herein to the contrary, Buyer shall have no right to object to (a) any Title Commitment requirements which are Buyer's responsibility to fulfill (such as providing the Title Company with organizational and authorization documentation), (b) any matter over which the Title Company is willing to insure, (c) any matter against which the Title Company is willing to provide affirmative insurance, (e) any matter arising as a result of an act or omission of any Buyer Party, or (f) standard ALTA exceptions and other matters which are customarily removed at Closing.

11. CONDITIONS PRECEDENT TO CLOSING.

(a) Conditions to Buyer's Obligations. The obligations of Buyer to purchase the Membership Interests from Seller and to perform the other covenants and obligations to be performed by Buyer on the Closing Date shall be subject to the following conditions (all or any of which may be waived in writing, in whole or in part, by Buyer:

(i) Representations and Warranties True. The representations and warranties made by Seller under this Contract shall be true and correct in all material respects on the date of this Contract and shall be true and correct in all material respects on and as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of the Closing Date.

(ii) Seller's Performance. Seller shall not be in default of its obligation to perform all covenants, agreements and delivered all documents required by this Contract to be performed or delivered by it on or before the Closing Date.

(iii) Company Obligations Current. Subject to the prorations provided for herein for items not yet due and payable, Seller shall have caused the Company to pay all vendors and suppliers under existing service contracts for amounts invoiced which are due and payable as of the Closing Date.

(iv) Estoppel Certificates. Seller shall have delivered the estoppel certificates to Buyer in accordance with Section 4(d).

(v) Seller Obligations. Seller shall have paid or have arranged for payment as of the Closing Date of all Seller Obligations.

(b) Conditions to Seller's Obligations. The obligations of Seller to sell the Membership Interests to Buyer and to perform the other covenants and obligations to be performed by Seller on the Closing Date shall be subject to the following conditions (all or any of which may be waived in writing, in whole or in part, by Seller:

(i) Representations and Warranties True. The representations and warranties made by Buyer under this Contract shall be true and correct in all respects on the date of this Contract and shall be true and correct in all respects on and as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of the Closing Date.

(ii) Buyer's Performance. Buyer shall not be in default of its obligation to perform all covenants, agreements and delivered all documents and funds required by this Contract to be performed or delivered by it on or before the Closing Date.

12. RISK OF LOSS. If, prior to the Closing Date, all or part of the Real Property is damaged by fire or by any other cause whatsoever, Seller shall promptly give Buyer written notice of such damage. If the cost of repairing such damage, in the aggregate, is not in excess of Five Hundred Thousand and No/100 Dollars (\$500,000.00) (as determined by Seller's independent insurer, or, if requested by Buyer, by an independent contractor licensed in Montgomery County, Maryland reasonably acceptable to Seller, the cost of which shall be borne by Buyer), then (i) Buyer shall have the right at the Closing to receive, to the extent such sums have not been expended on repair work, the amount of the deductible plus an assignment of all insurance proceeds payable as a result of such loss, (ii) this Contract shall continue in full force and effect with no reduction in the Purchase Price and (iii) Seller shall have no obligation to repair such damage. If the cost of repairing damage from such casualty is greater than Five Hundred Thousand and No/100 Dollars (\$500,000.00) (as determined by Seller's independent insurer), then Buyer shall have the right, for a period of ten (10) days from the date of notice of the amount of damage caused by the casualty, but, in any event, prior to the Closing Date, to terminate this Contract by giving written notice of termination to Seller within such period. Upon such termination, the Earnest Money shall be returned to Buyer and the parties hereto shall be released of any further liability hereunder except as otherwise provided herein. If Buyer fails to notify Seller within such period of Buyer's exercise of its right to terminate this Contract, then Buyer shall proceed to Closing and, to the extent such sums have not been expended on repair work, all insurance proceeds received by Seller as a result of such casualty loss plus the amount of the deductible shall be paid to Buyer at Closing. If such proceeds have not yet been received by Seller, then Seller's rights to such proceeds shall be assigned to Buyer at Closing upon payment of the full Purchase Price to Seller by Buyer less the amount of Seller's deductible and Seller shall have no obligation to repair such damage.

13. SELLER'S FAILURE TO PERFORM. Upon a default by Seller, Purchaser may as its sole and exclusive alternative remedies: (i) terminate this Contract and receive (a) a refund of the Earnest Money together with interest earned thereon and (b) solely in the event of Seller's willful default after notice and a five (5) day opportunity to cure, payment to Purchaser of all of its actual third party costs

and expenses incurred in connection with this transaction up to a maximum of Fifty Thousand Dollars (\$50,000.00), provided that a failure to obtain estoppel certificates as required in Section 4(d) hereof shall not constitute a willful default by Seller under this Contract, (ii) commence an action for specific performance or (iii) waive all claims on account of such default and proceed to Closing. Election of one or more of the aforesaid remedies shall preclude an election of others. If Buyer terminates this Contract and receives the Earnest Money, Buyer and Seller shall be relieved of all obligations and liabilities under this Contract (except as otherwise provided in this Contract) at law and in equity. Other than as set forth above, Buyer shall not have any claim for damages against any Seller Party as a result of any default or failure to perform by Seller or Seller's Agent prior to Closing which results in Closing not being consummated. Other than the failure to tender settlement on the Closing Date, which shall not require notice and an opportunity to cure, Seller shall be in default of this Contract only if Buyer has provided Seller with a written notice of the breach or failure which Buyer asserts constitutes a default of this Contract, describing same with reasonable specificity, and Seller fails to cure such default within ten (10) days after receipt of such notice from Buyer.

14. BUYER'S FAILURE TO PERFORM. If Buyer fails to perform this Contract when obligated to do so, the Earnest Money shall be paid to and retained by Seller as fixed, agreed and liquidated damages and as Seller's exclusive remedy for such failure to perform (it being agreed that the damages by reason of Buyer's default are difficult, if not impossible, to ascertain), and thereafter, Seller and Buyer shall be relieved from all liabilities and obligations under this Contract (except those which expressly survive termination of this Contract, or as otherwise provided in this Contract) at law and in equity. Other than the failure to tender settlement on the Closing Date, which shall not require notice and an opportunity to cure, Buyer shall be in default of this Contract only if Seller has provided Buyer with a written notice of the breach or failure which Seller asserts constitutes a default of this Contract, describing same with reasonable specificity, and Buyer fails to cure such default within ten (10) days after receipt of such notice from Seller. The foregoing provision limiting Seller's remedy to the stated amount of liquidated damages shall not be construed to limit Seller's right to recover its reasonable attorneys' fees pursuant to Section 16, below, in the event it prevails in any legal action under this Contract, including a legal action to enforce the terms of this Section 14.

15. INDEMNITIES.

(a) If and only if the Closing occurs, Goldstar shall, without any right of subrogation, contribution or any claim for reimbursement or similar right or claim against the Company (other than the right to require the Company to file and process claims under liability and/or other insurance policies in favor of the Company covering any of the following matters), indemnify and hold Buyer and the Company harmless from and against judgments, fines, penalties, settlement amounts, payments of amounts demanded, expenses (including reasonable attorneys' fees and litigation costs) and claims (collectively "Losses") which Buyer, or the Company, pay(s), or become(s) legally obligated to pay to third parties in connection with any proceeding arising out of or resulting from any or all of the following: (i) amounts due under or pursuant to the Service Contracts (and under any service contracts not reflected in Schedule 5(a)(vi)) accruing or attributable to any period prior to Closing, but excluding any termination fees or payments due to the service provider because of Buyer's direction to cancel a Service Contract as of Closing with respect to which a termination fee or payment applies; (ii) claims due to or arising out of death or injury to persons, or damage to the property of third parties, which were sustained prior to the Closing as a result of, or alleged to have been sustained prior to the Closing as a result of, the operation, use, condition and/or upkeep of the Real Property prior to the Closing; (iii) a breach of any representation, warranty or covenant of Seller contained in this Contract; and (iv) any other liabilities of the Company attributable to periods prior to the Closing Date, including, without limitation, liability of the Company for federal, state or local income taxes, and property taxes attributable to such period(s), but excluding any liabilities for which Buyer receives a credit on the

Closing Statement or which Buyer expressly assumes at Closing. The Goldstar's indemnity obligations under this Section 15(a) is referred to herein as "Goldstar's Indemnity."

(b) If and only if the Closing occurs, the Buyer and the Company, jointly and severally, shall indemnify and hold the Seller Parties harmless from and against any Losses which Seller pays, or becomes legally obligated to pay, to third parties in connection with any proceeding for which Goldstar is not obligated to indemnify Buyer pursuant to Paragraph 15(a), and which arises out of, or results from any or all of the following: (i) amounts accruing under the Service Contracts; (ii) claims due to or arising out of death or injury to persons, or damage to the property of third parties, which were sustained on or after the Closing as a result of, or alleged to have been sustained on or after the Closing as a result of, the operation, use, condition and/or upkeep of the Real Property on and after the Closing; (iii) the actions, conduct and/or omissions of the employees or agents of Buyer and/or the Company on and after Closing, (iv) any liabilities for which Buyer receives a credit on the Closing Statement or which Buyer expressly assumes at Closing; and (v) any other liabilities of the Company attributable to periods on and after the Closing Date, including, without limitation, liability for federal, state or local income taxes, and property taxes attributable to such period(s).

(c) Regardless of whether the Closing occurs, Buyer hereby agrees to indemnify and hold Seller and the Company harmless from all Losses arising out of Buyer's inspections or examinations of the Real Property prior to Closing.

(d) Promptly after receipt by a party who is indemnified under this Section 15 (the "Indemnitee"), of notice of any proceeding, the Indemnitee will, if a claim in respect thereof is to be made under this Section 15, notify the party who indemnified the Indemnitee under this Section 15 (the "Indemnitor") in writing, but the failure to so notify the Indemnitor will not relieve it from any liability which the Indemnitor may have to the Indemnitee unless the failure to notify materially impairs the ability of the Indemnitor to defend such proceeding. The Indemnitor will be entitled to participate in and, to the extent that it may wish, to assume the defense of any proceeding as to which it has indemnified an Indemnitee, with counsel reasonably satisfactory to the Indemnitee (unless the selection of counsel is determined under an applicable insurance policy, in which event such selection shall be made in accordance with such insurance policy). Indemnitee shall have the right to employ counsel in such proceeding, but the fees and expenses of such counsel incurred after notice from the Indemnitor of its assumption of the defense thereof shall be at the expense of Indemnitee, unless employment of counsel by Indemnitee has been authorized by the Indemnitor or its insurance carrier, or the Indemnitor has not in fact employed counsel who has assumed the defense of such action, in which case the fees and expenses of Indemnitee's counsel shall be at the expense of the Indemnitor. Each Indemnitee shall cooperate fully with the Indemnitor in the defense of any claims or actions as to which indemnification is given under this Section 15.

(e) In light of the fact that Losses being indemnified by Goldstar in Section 15(a) may arise from claims asserted against the Company for matters insured under insurance policies that insured the Company in effect prior to the Closing Date (and as to which only the Company may properly file a claim), the Company, as Indemnitee under Section 15(a), shall take all steps directed by Seller and/or Goldstar and necessary to ensure that claims are properly filed and prosecuted under the applicable insurance policy, including without limitation the execution and delivery of any filings or submissions directed by Seller and/or Goldstar and required pursuant to the terms of the applicable insurance policies, compliance with the requirements of such policies as they relate to the conduct or activities of the Company in relation to such claims, cooperation in discovery and the like.

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16. ATTORNEYS' FEES; COSTS. In connection with any litigation arising out of this Contract, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs at both the trial and appellate levels.

17. CONDEMNATION. In the event of the institution prior to Closing of any proceedings, judicial, administrative or otherwise, relate to a taking or proposed taking of any portion of the Real Property by eminent domain, Seller's Agent shall immediately notify Buyer thereof. In the event of any such taking or proposed taking which relates to more than ten percent (10%) of the land area of the Real Property, more than ten percent (10%) of the square footage of the buildings located on the Real Property, or which permanently restricts material access to the Real Property, Buyer may at its option, terminate this Contract by written notice to Seller within ten (10) days after Buyer is advised of the commencement of condemnation proceedings and all Earnest Money shall be refunded to Buyer, and Buyer and Seller shall be relieved of all obligations and liability under this Contract, or Buyer shall have the right to appear and defend such condemnation proceedings, and in the event Closing occurs, any award in condemnation shall, at the Buyer's election, become the property of Buyer.

18. BROKERS, AGENTS, AND ATTORNEYS. Seller shall pay on the Closing Date the complete commission due in connection with this transaction to Advantis Real Estate Services, Inc. ("Seller's Broker") pursuant to a separate written agreement between the Company and Seller's Broker. Other than Seller's Broker, each of the parties represents to the other that it has not retained or used the services of a broker or agent in connection with this transaction. Each party agrees to indemnify and hold the other harmless from any claims of brokers or agents for fees or commissions arising out of this transaction attributable to a breach by such party of its representations under this Section, and Seller shall indemnify and hold harmless Buyer from any claims of Seller's Broker. In addition, each party agrees to pay its own attorneys' fees in connection with this Contract and Closing.

19. NOTICES. Any notice required or permitted to be given hereunder shall be in writing and delivered by (a) a nationally recognized overnight courier service providing a receipt (such as FedEx), (b) by hand or (c) by facsimile (provided that an original shall be simultaneously sent by nationally recognized overnight delivery courier or by hand delivery), addressed as follows (or to such other address as may be designated by any party by notice to the other): (i) if to Buyer: c/o Corporate Office Properties Trust, 8815 Centre Park Drive, Suite 400, Columbia, Maryland 21045 (Attn.: General Counsel, Tel. No. 410-992-7247, Fax No. 410-992-7534); if to Seller, c/o The Goldstar Group, Inc., 7201 Wisconsin Avenue, Suite 775, Bethesda, Maryland 20815 (Attn.: Michael Brodsky, Tel. No. 301-657-8848, Fax No. 301-657-3698), with a copy to Richard Newman, Esq., Arent Fox Kintner Plotkin & Kahn, PLLC 1050 Connecticut Avenue, NW, Washington, D.C. 20036-5339 (Tel. No. (202) 857-6170, Fax No. (202) 857-6395), or at any other address designated by either party by notice to the other party pursuant to this Section 19. Any such notice so sent by national overnight courier or by hand delivery shall be deemed given on the date of the receipt (or refusal) of such delivery. Any such notice sent by facsimile shall be deemed given when received as confirmed by the telecopier electronic confirmation receipt or, if after 5:00 p.m. (eastern time), on the next Business Day. Notice may be given either by a party or by such party's attorney.

20. ENTIRE AGREEMENT. This Contract shall constitute the entire agreement between the parties, and no prior oral or written agreement of understanding shall survive the execution of this Contract. In the event of any amendment or modification of this Contract, the amendment or modification shall be in writing signed by all the parties, or their agents, in order to be binding upon the parties. Neither party shall record (nor caused to be recorded) this Contract or any memorandum hereof.

21. WAIVER OF JURY TRIAL. The parties hereto waive trial by jury in any action, proceeding or counterclaim brought by any party against any other party on any matter arising out of or in any way connected with this Contract.

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22. BENEFIT AND BURDEN. This Contract shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Other

than an assignment to Corporate Office Properties Trust ("COPT"), Corporate Office Properties, L.P. ("COPLP"), or to any entity or affiliate in which COPT or COPLP (directly or indirectly) shall have at least a 10% equity ownership interest, Buyer shall not assign its rights under this Contract without Seller's prior written consent.

23. APPLICABLE LAW. This Contract shall be governed by and interpreted in accordance with the laws of the State of Maryland.

24. SURVIVAL.

(a) Except as otherwise specifically set forth in this Contract (i) the representations and warranties of Seller contained herein or in any document or instrument executed by Seller and delivered to Buyer or its assignee at or in connection with Closing (collectively, the "Closing Documents") shall survive only until the date which is twelve (12) months after the Closing Date (the "Survival Date"), and Goldstar's obligation with respect to Goldstar's Indemnity shall survive only until the date which is twelve (12) months after the Closing Date (the "Indemnity Survival Date"). Any Claim (as defined below) that Buyer may have any time against Seller for breach of any such representation or warranty, whether known or unknown, with respect to which a Claim Notice (as defined below) has not been delivered to Seller on or prior to the Survival Date, shall not be valid or effective. Any Claim that Buyer may have any time against Goldstar pursuant to Goldstar's Indemnity, whether known or unknown, with respect to which a Claim Notice has not been delivered to Seller's Agent and Goldstar on or prior to the Indemnity Survival Date, shall not be valid or effective. For the avoidance of doubt, (i) on the Survival Date, Seller shall be fully discharged and released (without the need for separate releases or other documentation) from any liability or obligation to the Buyer Parties, Buyer's assignee and/or their successors and assigns with respect to any Claims or any other matter relating to this Contract, any Closing Document or the Real Property, except solely for those matters that are then the subject of the pending Claim Notice timely delivered by Buyer to Seller's Agent, and (ii) on the Indemnity Survival Date, Goldstar shall be fully discharged and released (without the need for separate releases or other documentation) from any liability or obligation to the Buyer Parties, Buyer's assignee and/or their successors and assigns with respect to any Claims or any other matter relating to Goldstar's Indemnity, except solely for those matters that are then the subject of the pending Claim Notice timely delivered by Buyer to Seller's Agent and Goldstar. As used herein, the term "Claim" shall mean any suit, action, proceeding, investigation, demand, claim, liability, fine, penalty, lien, judgment, loss, injury, damage, expense or cost, including without limitation, attorneys' fees and experts' fees and cost and investigations and remediation costs. The term "Claim Notice" shall mean a written notice delivered by the party seeking indemnification to the party from which indemnification is sought with respect to a Claim.

(b) Limitation on Liability. Notwithstanding anything to the contrary contained in this Contract, Buyer agrees to look solely to Seller's estate and interest in the Property (including without limitation any net proceeds of sale, insurance and/or condemnation) for the satisfaction of any right or remedy of Buyer for the collection of a judgment (or other judicial process) requiring the payment of money by Seller in the event of any liability by Seller, and no other property or assets of Seller (or any Seller Party) shall be subject to levy, execution, attachment or other enforcement procedure for the satisfaction of Buyer's remedies under or with respect to this Contract or any other liability of Seller or Buyer.

(c) Survival. This Section 24 shall survive the Closing.

25. TIME OF THE ESSENCE. All times, wherever specified herein for the performance by Seller or Buyer of their respective obligations hereunder, are of the essence of this Contract. Notwithstanding the foregoing, any time period provided for herein which shall end on a Saturday,

Sunday or legal holiday shall extend to the next Business Day. For purposes of this Contract, the term "Business Day" shall mean those days of the week which are not a (i) Saturday, (ii) Sunday or (iii) any federal or state holiday on which the banks in New York are not open for business.

26. COUNTERPARTS. This Contract may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute a single agreement binding on the parties hereto. Delivery of an executed counterpart of this Contract by facsimile transmission shall be deemed to constitute good and valid delivery for all purposes.

27. DRAFTS NOT AN OFFER TO ENTER INTO A LEGALLY BINDING CONTRACT. The parties hereto agree that the submission of a draft of this Contract by one party to another is not intended by either party to be an offer to enter into a legally binding contract with respect to the purchase and sale of the Membership Interests pursuant to the terms of this Contract. The parties shall be legally bound with respect to the purchase and sale of the Membership Interests pursuant to the terms of this Contract only if and when the parties have been able to negotiate all of the terms and provisions of this Contract in a manner acceptable to each of the parties in their respective sole discretion, including, without limitation, all of the exhibits and schedules hereto, and each of Seller and Buyer have fully executed and delivered to each other a counterpart of this Contract, including, without limitation, all exhibits and schedules hereto.

28. DISCLOSURES.

(a) Disclosure of Location in Special Protection Area

(i) The Real Property is not located in an area designated as a special protection area under Section 19-62 of the Montgomery County Code.

(ii) Buyer acknowledges that: (A) the Seller has provided the information required by subparagraph (i) above; and (B) the Buyer understands that special water quality measures and certain restrictions on land uses and impervious surfaces may apply to the Real Property.

(b) Disclosure of Location of Airport or Heliport Within Five Mile Radius of Real Property. Buyer acknowledges that the Seller has disclosed to the Buyer, or if more than one (1) buyer, to at least one (1) of the Buyers, prior to the entering into this Contract, the relative location of any airport or heliport, as defined in the Montgomery County zoning ordinance, existing within a five-mile radius of the Real Property.

(c) Duty to Allow Buyers to Review Master Plans

(i) Buyer acknowledges that the Seller gave the Buyer an opportunity to examine the applicable county master plan and any municipal land use plan for the area in which the Real Property is located, and any adopted amendment to either plan, and approved official maps showing planned land uses, roads and highways, parks and other public facilities affecting the Real Property contained in the plan.

(ii) Buyer acknowledges that it had the right to review the applicable master plan and municipal land use plan and any adopted amendment.

(iii) The Seller has offered the Buyer the opportunity to review the applicable master plan and municipal land use plan and any adopted amendment.

(iv) The Seller has informed the Buyer that amendments affecting the plan may be pending before the planning board or the county council or a municipal planning body in Montgomery County, Maryland.

(v) (A) The Buyer has either reviewed each such plan and adopted amendment; or (B) The Buyer has waived the right to review each plan and adopted amendment; and

(vi) The Buyer understands that, to stay informed of future changes in county and municipal land use plans, the Buyer should consult the planning board and the appropriate municipal planning body.

(d) Disclosure of Availability of Water and Sewer Service.

(i) Buyer acknowledges that the Seller has disclosed to the Buyer, to the extent the Seller knows:

(A) whether the Real Property is connected to, or has been approved for connection to, a public water and sewer system;

(B) if the Real Property is not connected to a public water and sewer system:

(1) the source, if any, of potable water for the Real Property; and (2) whether an individual sewage disposal system has been constructed on the Real Property or approved or disapproved for construction; and

(C) (1) the water and sewer service area category or categories that currently apply to the Real Property, and a brief explanation of how each category affects the availability of water and sewer service;

(2) any recommendations in the applicable master plan regarding water and sewer service to the Real Property; and

(3) the status of any pending water and sewer comprehensive plan amendments or service area category changes that would apply to the Real Property.

(D) The Buyer acknowledges that the Seller has provided the information required by subparagraph (a) above, or the Seller has informed the Buyer that the Seller does not know the information required by subparagraph (a) above; and

(E) The Buyer understands that, to stay informed of future changes in County and municipal water and sewer plans, the Buyer should consult the County Planning Board, the Washington Suburban Sanitary Commission, the County Department of Environmental Protection, or any appropriate municipal planning or water and sewer body.

(F) The Buyer confirms that the Buyer has reviewed the record plat for the Real Property, including any restrictions on the location of initial and reserve wells, individual sewage disposal systems, and the buildings to be served by any individual sewage disposal system.

29. CONFIDENTIALITY AND RETURN OF DOCUMENTS.

(a) As a condition to Seller's agreement to furnish and/or disclose Evaluation Material (as defined below) to the Buyer Parties for review and inspection, Buyer hereby agrees to be bound by the following terms:

(i) "Evaluation Material" shall include the Documents and any other documents and written or oral information, as well as diskettes and other forms of electronically transmitted data, furnished to the Buyer Parties by Seller, Seller's Agent and/or the Company, or their affiliates, relating to the Real Property and the operations conducted thereon, as well as written memoranda, notes, analyses, reports, compilations or studies prepared by Buyer or the Buyer Parties (in whatever form or medium) that contain, or are derived from, such information provided by Seller.

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(ii) Buyer shall treat as strictly confidential and shall not use or permit to be used the Evaluation Material except in connection with its decision to purchase the Membership Interests. Without limiting the generality of the foregoing, Buyer shall limit access to the Evaluation Materials to those of its employees, agents, advisors, investors, partners, attorneys, lenders and prospective lenders who need to know the contents thereof for the purposes of evaluation as aforesaid.

(iii) If this Contract is terminated, all written Evaluation Material in the possession, custody or control of any Buyer Parties (excluding attorney-client privileged materials and attorney work product) will be returned to Seller's Agent promptly upon Seller's request.

(iv) The provisions of this Section 29 shall apply regardless of whether Closing occurs under this Contract.

(b) Seller and Buyer each covenants that (i) prior to Closing it shall not issue any press release or public statement (a Release) with respect to the transactions contemplated by this Contract without the prior consent of the other, except to the extent required by law or the regulations of the Securities and Exchange Commission, and (ii) after Closing, any Release issued by Seller or Buyer shall be subject to the review and approval of the other (which approval shall not be unreasonably withheld). If Seller or Buyer is required by law to issue a Release, such party shall, at least two (2) Business Days prior to the issuance of the same, deliver a copy of the proposed Release to the other for review.

[Text Ends—Signatures Commence on the Following Page]

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IN WITNESS WHEREOF, the undersigned parties have executed this Sale Contract as of the day and year first above stated.

SELLER:

11800 TECH ROAD INVESTORS LLC,
a Delaware limited liability company

By: /s/ MICHAEL BRODSKY

Name: Michael Brodsky
Title: President

Date: June 7, 2002

BUYER:

COPT ACQUISITIONS, INC.,
a Delaware corporation

By: /s/ ROGER A. WAESCHE, JR.

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

Date: June 7, 2002

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JOINDER

The undersigned, **The Goldstar Group, Inc.**, a Maryland corporation, hereby joins this Contract for purposes of evidencing its agreement to (i) assume liability for any breach of Seller's representations and warranties, as set forth in Section 5(c) of this Contract and (ii) indemnify Buyer and Company, as provided under Section 15(a) of this Contract, effective from and after the Closing Date (as defined herein), and agrees that this Joinder shall survive Closing, and shall be binding upon the undersigned after Closing, notwithstanding its execution and delivery prior to Closing.

The Goldstar Group, Inc.,
a Maryland corporation

By: /s/ MICHAEL BRODSKY

Michael Brodsky
President

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JOINDER

The undersigned, **The Goldstar Properties, Inc.**, a Maryland corporation, hereby joins this Contract for purposes of evidencing its agreement to the transactions contemplated in the Contract and to its duties and obligations as otherwise set forth in the Contract, effective from and after the Closing Date (as defined herein), and agrees that this Joinder shall survive Closing, and shall be binding upon the undersigned after Closing, notwithstanding its execution and delivery prior to Closing.

The Goldstar Group, Inc.,
a Maryland corporation

By: /s/ MICHAEL BRODSKY

Michael Brodsky
President

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JOINDER

The undersigned, **11800 Tech Road LLC**, a Delaware limited liability company, hereby joins this Contract for purposes of evidencing its agreement to the transactions contemplated in the Contract and to its duties and obligations as otherwise set forth in the Contract, effective from and after the Closing Date (as defined herein), and agrees that this Joinder shall survive Closing, and shall be binding upon the undersigned after Closing, notwithstanding its execution and delivery prior to Closing.

11800 Tech Road LLC,
a Delaware limited liability company

By: /s/ MICHAEL BRODSKY

Name:
Title:

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LIST OF EXHIBITS

<u>Exhibit A</u>	Legal Description of Real Property
<u>Exhibit B</u>	Form of Assignment and Assumption of Membership Interests
<u>Exhibit C-1</u>	Form of Tenant Estoppel Certificate for General Services Administration
<u>Exhibit C-2</u>	Form of Tenant Estoppel Certificate for Other Tenants
<u>Exhibit D</u>	Due Diligence Materials

LIST OF SCHEDULES

Schedule 5(a)(v) Rent Roll
Schedule 5(a)(vi) Schedule of Contracts
Schedule 5(a)(viii) Litigation

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AGREEMENT OF PURCHASE AND SALE

Between

TRC WESTFIELDS I L.L.C., TRC WESTFIELDS II L.L.C. and TRC WESTFIELDS III L.L.C.

(each, a Virginia limited liability company)
(as Sellers)

-and-

COPT ACQUISITIONS, INC.
(a Delaware corporation)
(as Purchaser)

July 24, 2002

Property:

The Greens I at Westfields

consisting of a fee interest in a parcel of land and the improvements thereon, including an approximately 145,053 rentable square foot building, on approximately 8.706 acres of land, more or less, located in Chantilly, Fairfax County, Virginia

The Greens II at Westfields

consisting of a leasehold interest in a parcel of land and the improvements thereon, including an approximately 145,192 rentable square foot building, on approximately 9.8852 acres of land, more or less, located in Chantilly, Fairfax County, Virginia

The Greens III at Westfields

consisting of a leasehold interest in a parcel of land consisting approximately 6.3468 acres, more or less, located in Chantilly, Fairfax County, Virginia

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LIST OF EXHIBITS AND SCHEDULES

EXHIBITS:

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Exhibit A-2	Greens II Land
Exhibit A-3	Greens III Land
Exhibit B-1	Greens I List of Personalty
Exhibit B-2	Greens II List of Personalty
Exhibit B-3	Greens III List of Personalty
Exhibit C-1	Greens I Current Rent Roll
Exhibit C-2	Greens II Current Rent Roll
Exhibit C-3	Greens III Current Rent Roll
Exhibit C-4	Greens I List of Defaults under Leases
Exhibit C-5	Greens II List of Defaults under Leases
Exhibit C-6	Greens III List of Defaults under Leases
Exhibit D-1	Greens I List of Contracts
Exhibit D-2	Greens II List of Contracts
Exhibit D-3	Greens III List of Contracts
Exhibit E	Permitted Exceptions
Exhibit F	List of Existing Loan Documents
Exhibit G-1	Greens I List of Unpaid Leasing Commission
Exhibit G-2	Greens II List of Unpaid Leasing Commission
Exhibit G-3	Greens III List of Unpaid Leasing Commission
Exhibit H	Form of Sellers' Certificate Regarding Representations and Warranties
Exhibit I	Form of Purchaser's Certificate Regarding Representations and Warranties
Exhibit J	Form of Sellers' Estoppel
Exhibit K	Form of Special Warranty Deed
Exhibit L	Form of Ground Lease Assignment
Exhibit M-1	Form of Assignment and Assumption of Assigned Contracts
Exhibit M-2	Form of Bill of Sale
Exhibit N	Form of Assignment of Leases
Exhibit O	Form of Notice to Tenants
Exhibit P	Form of Notice to Contracts and Vendors under the Assigned Contracts
Exhibit Q	Form of Tenant Estoppel
Exhibit R	Form of Association Estoppel
Exhibit S	Form of Ground Lessor Estoppel
Exhibit T	Form of Ground Lease Assignment

SCHEDULES:

Schedule 5.11	Zoning or Land Use Proffers Deposits or Escrowed Amounts
Schedule 5.19	List of Tenant Inducement Costs

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE (the "**Agreement**") is made as of the day of July, 2002, by and between **TRC WESTFIELDS I L.L.C.** ("**TRC I**"), **TRC WESTFIELDS II L.L.C.** ("**TRC II**") and **TRC WESTFIELDS III L.L.C.** ("**TRC III**"; TRC I, TRC II and TRC III are sometimes referred to herein individually as a "**Seller**" and collectively as the "**Sellers**"), each, a Virginia limited liability company having offices at c/o The Rubenstein Company, L.P., 4100 One Commerce Square, 2005 Market Street, Philadelphia, Pennsylvania 19103-7041, and **COPT ACQUISITIONS, INC.** ("**Purchaser**"), a Delaware corporation having offices at 8815 Centre Park Drive, Suite 400, Columbia, MD 21045.

BACKGROUND

A. TRC I is the owner of certain land, together with certain improvements and other real, personal and mixed property (collectively, the "**Greens I Property**"), all consisting of the following:

- (1) All that certain tract, lot or parcel of ground, together with all easements, rights and privileges appurtenant thereto, located in Chantilly, Fairfax County, Virginia, being more particularly described on Exhibit A-1 attached hereto, and containing in area approximately 8.706 acres of land, more or less (the "**Greens I Land**").
- (2) All buildings, structures and other improvements situated on the Greens I Land (collectively, the "**Greens I Improvements**") consisting of a building containing approximately 145,053 rentable square feet of space, together with appurtenant amenities and other structures and improvements (the Greens I Land and the Greens I Improvements are referred to herein together as the "**Greens I Real Estate**").
- (3) All machinery, fixtures, systems, equipment and other personal property owned by TRC I and attached or pertaining to, or otherwise located in or on or used in connection with, any part or all of the Greens I Real Estate, including, as of the Closing Date, all supplies, brochures, tenant lists, correspondence and files, vendor and supplier lists, marketing and advertising information and other materials and property in the possession of and owned by TRC I, including leases for space within the

Greens I Improvements as of Closing, together with all security deposits made thereunder (but excluding, except for security deposits made under the Leases relating to the Greens I Property, all cash and accounts receivable of TRC I and all equipment, furniture, furnishings and other property owned by the property manager or leasing agent for the Greens I Property or by any present or prior Tenant at the Greens I Property or by any other person or persons other than the TRC I), all as more specifically described on Exhibit B-1 attached hereto (the "**Greens I Personality**").

(4) All intangible property used in connection with any of the foregoing described in this Section A, including, without limitation, (i) all trademarks, logos, trade names and telephone numbers; (ii) to the extent assignable and transferable, all contract rights, licenses and permits; and (iii) the nonexclusive right to use the name of (and logo for) "**The Greens I at Westfields**" (which right now is, however, exclusive as between TRC I and Purchaser) (the "**Greens I Intangible Property**"); but specifically excluding any rights or intangible property associated with The Rubenstein Company, L.P. or The Rubenstein Brokerage Group, Inc., or any logo therefor, or any "web" page or content prepared by or on behalf either of them.

B. TRC II is the holder of a certain leasehold interest in land, and the owner of certain improvements and other real, personal and mixed property (collectively, the "**Greens II Property**"), all consisting of the following:

(1) A leasehold interest (the "**Greens II Leasehold Interest**") in that certain tract, lot or parcel of ground, together with all easements, rights and privileges appurtenant thereto, located in Chantilly, Fairfax County, Virginia, being more particularly described on Exhibit A-2 attached hereto, and containing in area approximately 9.8852 acres of land, more or less (the "**Greens II Land**"), pursuant to that certain Ground Lease Agreement (as amended, the "**Greens II Ground**

Lease"), dated as of January 19, 1999, by and between TRC II, as tenant, and Commonwealth Atlantic—Westfields II Inc. ("**Greens II Ground Lessor**") as landlord, as amended by that certain First Amendment to Ground Lease Agreement, dated as of March 12, 1999, by and between TRC II and the Greens II Ground Lessor, and that certain Second Amendment to Ground Lease Agreement, dated September 17, 2001, by and between TRC II and the Greens II Ground Lessor.

(2) All buildings, structures and other improvements situated on the Greens II Land (collectively, the "**Greens II Improvements**") consisting of a building containing approximately 145,192 rentable square feet of space, together with appurtenant amenities and other structures and improvements (the Greens II Leasehold Interest and the Greens II Improvements are referred to herein together as the "**Greens II Real Estate**").

(3) All machinery, fixtures, systems, equipment and other personal property owned by TRC II and attached or pertaining to, or otherwise located in or on or used in connection with, any part or all of the Greens II Real Estate, including, as of the Closing Date, all supplies, brochures, tenant lists, correspondence and files, vendor and supplier lists, marketing and advertising information and other materials and property in the possession of and owned by TRC II, including leases for space within the Greens II Improvements as of Closing, together with all security deposits made thereunder (but excluding, except for security deposits made under the Leases relating to the Greens II Property, all cash and accounts receivable of TRC II and all equipment, furniture, furnishings and other property owned by the property manager or leasing agent for the Greens II Property or by any present or prior Tenant at the Greens II Property or by any other person or persons other than the TRC II), all as more specifically described on Exhibit B-2 attached hereto (the "**Greens II Personality**").

(4) All intangible property used in connection with any of the foregoing described in this Section B, including, without limitation, (i) all trademarks, logos, trade names and telephone numbers; (ii) to the extent assignable and transferable, all contract rights, licenses and permits; and (iii) the nonexclusive right to use the name of (and logo for) "**The Greens II at Westfields**" (which right now is, however, exclusive as between TRC II and Purchaser) (the "**Greens II Intangible Property**"); but specifically excluding any rights or intangible property associated with The Rubenstein Company, L.P. or The Rubenstein Brokerage Group, Inc., or any logo therefor, or any "web" page or content prepared by or on behalf either of them.

C. TRC III is the holder of a certain leasehold interest in land, and the owner of certain other real, personal and mixed property (collectively, the "**Greens III Property**"), all consisting of the following:

(1) A leasehold interest (the "**Greens III Leasehold Interest**") in that certain tract, lot or parcel of ground, together with all easements, rights and privileges appurtenant thereto, located in Chantilly, Fairfax County, Virginia, being more particularly described on Exhibit A-3 attached hereto, and containing in area approximately 6.3468 acres of land, more or less (the "**Greens III Land**"), pursuant to that certain Ground Lease Agreement (as amended, the "**Greens III Ground Lease**"), dated as of January 19, 1999, by and between TRC III, as tenant, and Commonwealth Atlantic—Westfields III Inc. ("**Greens III Ground Lessor**") as landlord, as amended by that certain First Amendment to Ground Lease Agreement, dated as of March 12, 1999, by and between TRC III and the Greens III Ground Lessor, and that certain Second Amendment to Ground Lease Agreement, dated September 17, 2001, by and between TRC III and the Greens III Ground Lessor.

(2) All improvements situated on the Greens III Land, if any (collectively, the "**Greens III Improvements**"; the Greens III Leasehold Interest and the Greens III Improvements, if any, are referred to herein together as the "**Greens III Real Estate**").

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(3) All intangible property used in connection with any of the foregoing described in this Section C, including, without limitation, (i) all trademarks, logos, trade names and telephone numbers; (ii) to the extent assignable and transferable, all contract rights, licenses and permits; and (iii) the nonexclusive right to use the name of (and logo for) "**The Greens III at Westfields**" (which right now is, however, exclusive as between TRC III and Purchaser) (the "**Greens III Intangible Property**"); but specifically excluding any rights or intangible property associated with The Rubenstein Company, L.P. or The Rubenstein Brokerage Group, Inc., or any logo therefor, or any "web" page or content prepared by or on behalf either of them.

D. The Greens I Property, the Greens II Property and the Greens III Property are sometimes individually referred to herein as "**a Property**," "**a component of the Property**," "**each Property**," or "**any Property**" and are sometimes collectively referred to herein as "**the Property**"; the Greens I Land, Greens II Land and the Greens III Land are sometimes collectively referred to herein as the "**Land**"; the Greens I Improvements, the Greens II Improvements and the Greens III Improvements are sometimes collectively referred to herein as the "**Improvements**"; the Greens I Real Estate, the Greens II Real Estate and the Greens III Real Estate are sometimes collectively referred to herein as the "**Real Estate**"; the Greens I Personality and the Greens II Personality are sometimes collectively referred to herein as the "**Personality**"; the Greens I Intangible Property, the Greens II Intangible Property and the Greens III Intangible Property are sometimes collectively referred to herein as the "**Intangible Property**"; the Greens II Leasehold Interest and the Greens III Leasehold Interest are sometimes collectively referred to herein as the "**Leasehold Interests**" and individually as a "**Leasehold Interest**"; the Greens II Ground Lease and the Greens III Ground Lease are sometimes collectively referred to herein as the "**Ground Leases**" and individually as a "**Ground Lease**"; the Greens II Ground Lessor and the Greens III Ground Lessor are sometimes collectively referred to herein as the "**Ground Lessors**" and individually as a "**Ground Lessor**".

E. Sellers are prepared to sell and convey all of Sellers' respective right, title and interest in and to the Property to Purchaser, and Purchaser is prepared to purchase and accept all of Sellers' right, title and interest in and to the Property from Sellers, all on and subject to the terms and conditions hereinafter set forth.

AGREEMENTS

In consideration of the foregoing and of the covenants and conditions hereinafter set forth, and intending to be legally bound hereby, the parties hereto agree:

1. Definitions.

1.1. **Defined Terms.** The following terms when used in this Agreement will have the respective meanings set forth below. Certain other terms when used in this Agreement will have the meanings set forth in the context hereof.

"**Affiliate**" shall mean, with respect to any specified Person, any other Person that (1) directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with the specified Person; (2) is a partner, director, officer or trustee of the specified Person or of any Person covered by clause (1) above; or (3) is a partner of a partnership or joint venture which owns, or is a beneficiary or trustee of a trust which owns, or other owner of any stock or other evidences of beneficial ownership in, the specified Person or any Person who directly or indirectly through one or more intermediaries controls or is controlled by the specified Person. For purposes of this definition, the term "**control**" means the possession, directly or indirectly, of the power to direct or to cause the direction of the management and policies of a Person, whether through the ownership of voting stock, beneficial interests or partnership interests, by contract or otherwise.

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"**Agreement**" shall mean this Agreement of Purchase and Sale and all amendments and supplements hereto, together with the Exhibits attached hereto, as the same may be amended, restated, supplemented or otherwise modified.

"**Assigned Contracts**" shall have the meaning set forth in 10.4.3.

"**Association**" shall mean Westfields Business Owners Association, a Virginia non-stock corporation.

"**Authority**" shall mean any and all applicable courts, boards, agencies, commissions, offices or authorities of any nature whatsoever for any governmental or quasi-governmental unit (federal, state, county, township, district, municipal, city, departmental or otherwise) and any non-governmental board or authority with jurisdiction over the Property or any part thereof, whether now or hereafter in existence.

"**Bill of Sale**" shall have the meaning set forth in Section 10.4.3.

"**Business Day**" shall mean any day other than a Saturday, Sunday, federal holiday or other day on which national banks operating in the Washington, D.C., metropolitan area or Philadelphia, Pennsylvania are authorized or required to be closed for the conduct of regular banking business.

"**Cash Component**" shall have the meaning set forth in Section 3.1.2.

"**Cash Component Balance**" shall have the meaning set forth in Section 3.2.2.

"**Claim**" shall mean any claim, liability, proof of claim, demand, complaint, summons, legal, equitable or administrative action, suit, proceeding, chose in action, damage, judgment, penalty or fine.

"**Closing**" shall mean the delivery of the Closing Documents, the payment of the Purchase Price and the consummation of the sale and purchase of the Property pursuant to this Agreement.

"**Closing Date**" shall mean the date on which Closing actually occurs.

"**Closing Documents**" shall mean all documents and instruments identified in Section 10 hereof and all other documents and instruments which, under the terms of this Agreement, are to be executed and delivered by the respective Sellers or Purchaser or both at Closing.

"**Commitment**" shall have the meaning set forth in section 13.3.

"**Condition of the Property**" shall have the meaning set forth in Section 15.

"**Confidential Information**" shall have the meaning set forth in Section 22.

"**Contract**" shall mean and include (1) any development, construction, architectural or improvement agreement, any parking or utility allocation agreement, any use covenant or any restrictive or other covenant, or any other restriction, covenant or agreement; (2) any purchase, management, real estate, leasing or rental commission, supply, service, maintenance, employment or other contract or agreement; or (3) any warranties, guarantees and bonds, common area agreements and other contract, agreement, covenant, arrangement or understanding related to the Land, Improvements, Personality, or Intangible Property, which is currently in effect. The definition of "**Contract**" as aforesaid is intended to exclude the Leases, the Existing Loan Documents, the Loan Documents and the Ground Leases.

"**Current Rent Roll**" shall have the meaning set forth in Section 5.6.

"**Debt Assumption Fee**" shall have the meaning set forth in Section 3.3.

"**Declaration**" means that certain Declaration of Protective Covenants and Restrictions for Westfields, The International Corporate Center at Dulles, and all amendments thereto and modifications thereof.

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"**Demanding Party**" shall have the meaning set forth in Section 4.5.

"**Deposit**" shall have the meaning set forth in Section 3.2.1.

"**Deposit Demand**" shall have the meaning set forth in Section 4.5.

"**Due Diligence Condition**" shall have the meaning set forth in Section 8.4.3.

"Escrow Agent" shall mean Anchor Title Insurance Company, having offices at 10715 Charter Drive, Suite 100, Columbia, Maryland, Attn: Charlotte Powel.

"Existing Loan Documents" shall have the meaning set forth in Section 3.3.

"Ground Lease Charges" shall have the meaning set forth in Section 9.2.1.

"Initial Deposit" shall have the meaning set forth in Section 3.2.1.

"Improvements" shall have the meaning set forth in the Background Section.

"Inspections" shall have the meaning set forth in Section 8.4.2.

"Insured Claims" shall have the meaning set forth in Section 5.8.

"Intangible Property" shall have the meaning set forth in the Background Section.

"Land" shall have the meaning set forth in the Background Section.

"Landlord Claims" shall have the meaning set forth in Section 5.8.

"Laws" shall mean all laws, statutes, ordinances, codes, rules, decrees, regulations and other requirements of the United States of America or any state, commonwealth, city, county, township, municipality or department or agency thereof, or of any other Authority.

"Leases" shall have the meaning set forth in Section 5.6.

"Lender" shall have the meaning set forth in Section 3.3.

"Lender Approval" shall have the meaning set forth in Section 7.4.

"Lien" shall mean any mortgage, pledge, security deed, deed to secure debt, deed of trust, hypothecation, assignment to secure debt, past-due taxes or past-due assessments, security interest, judgment, lien, adverse claim, levy or charge of any nature which affect title to the Property, or any conditional sale contract, title retention contract or other contract to give or to refrain from giving any of the foregoing, all other than Permitted Exceptions.

"Loan Assignment Assumption, and Consent" shall have the meaning set forth in Section 3.3.

"Loan Assumption" shall have the meaning set forth in Section 3.2.3.

"Loan Documents" shall mean the Existing Loan Documents, as assigned and modified or amended and restated as provided in Section 3.3, evidencing and/or securing the Mortgage Loan.

"Loan Review Period" shall have the meaning set forth in section 3.3.1.

"Mandatory Cure Items" shall have the meaning set forth in Section 13.4.

"Material Taking" shall mean any taking or condemnation (or notice thereof) for any public or quasi-public purpose or use by any competent authority in appropriate proceedings or any exercise of a right of eminent domain of fifteen percent (15%) or more of the aggregate area of the Real Estate, or of any portion of a Property that results in a material diminution of the parking spaces for such Property or of the access to a Property.

"Monetary Lien" shall mean any Lien of a monetary nature encumbering or otherwise affecting all or any portion of the Property, other than the Mortgage Loan or the Loan Documents.

"Mortgage Component" shall have the meaning set forth in Sections 3.1.1.

"Mortgage Loan" shall have the meaning set forth in Section 3.3.

"Non-Demanding Party" shall have the meaning set forth in Section 4.5.

"Notice of Title Objections" shall have the meaning set forth in Section 13.3.

"Objection Notice" shall have the meaning set forth in Section 4.5.

"Objection Period" shall have the meaning set forth in Section 4.5.

"Outside Closing Date" shall mean August 31, 2002.

"Permitted Exceptions" shall mean with respect to each of the Greens I Property, Greens II Property, and Greens III Property, the following title exceptions: (1) the lien of all ad valorem real estate taxes, lienable utility services and assessments not yet due and payable as of the Closing Date with respect to such Property; (2) federal, state, and local zoning and building laws, ordinances and regulations with respect to such Property; (3) the matters shown on Exhibit E attached to this Agreement (subject to the right of Purchaser to object to the same as provided in Section 13.3); (4) the Leases affecting such Property; (5) any further or additional items appearing on Schedule B, Section 2, of Purchaser's Commitment with respect to such Property which are not objected to by Purchaser in accordance with Section 13.3 of this Agreement; (6) Liens securing the Mortgage Loan with respect to the Greens I Property only; and (7) the Ground Leases with respect to the Greens II Property and the Greens III Property only.

"Person" shall mean any natural person, corporation, general partnership, limited partnership, limited liability company, joint stock company, joint venture, proprietorship, trust, association, or other entity, enterprise, authority or business organization.

"Personalty" shall have the meaning set forth in the Background Section.

"**Property**" shall have the meaning set forth in the Background Section.

"**Pro Ration Date**" shall mean the day immediately preceding the Closing Date.

"**Purchase Price**" shall have the meaning set forth in Section 3.

"**Purchaser**" shall have the meaning set forth in the Preamble.

"**Purchaser Property Materials**" shall mean all surveys, environmental reports, geotechnical studies, engineering and other plans, engineering reports, traffic studies, fiscal impact studies, zoning and land use studies, wetlands reports, and sewer and soil studies, and all other plans, studies, reports, test results, examinations, and other materials related to the physical condition of the Property, all as in the possession or control of Purchaser or as prepared or commissioned by, for or at the direction of Purchaser; provided, that Purchaser Property Materials shall not include the Seller Property Materials, or Purchaser's internal memoranda, work product, financial analysis performed by or on behalf of Purchaser, budgets, accounting and tax records, appraisals, computer hardware, software and data, and other or similar proprietary, electronic or confidential materials.

"**Purchaser's Designee**" shall have the meaning set forth in Section 9.2.

"**Purchaser's Greens I Entity**" shall have the meaning set forth in Section 3.3.

"**Real Estate**" shall have the meaning set forth in the Background Section.

"**Scheduled Closing Date**" shall have the meaning set forth in Section 10.1.

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"**Second Deposit**" shall have the meaning set forth in Section 3.2.1.

"**Security Deposit**" shall mean, collectively, all security deposits or other deposits in the nature of security made by any Tenant under a Lease.

"**Seller or Sellers**" shall have the meaning set forth in the Preamble.

"**Seller Estoppel**" shall mean an estoppel certificate executed by the applicable Seller with respect to a particular Lease or Leases certifying as to the following: Each of the Leases is in full force and effect and has not been modified, renewed, extended, amended or terminated except as indicated on Exhibits C-1, C-2 and C-3. No rent or other amounts payable under the Leases have been paid more than one (1) month in advance. No Tenant under any of the Leases has any right or option to purchase or otherwise acquire the Property or any portion thereof or interest therein, including, without limitation, any rights of first refusal, except as indicated on Exhibits C-1, C-2 and C-3. All security deposits required under the Leases have been paid in full and are being held by Sellers. Except as disclosed on Exhibit C-4 (with respect to the Greens I Real Estate), Exhibit C-5 (with respect to the Greens II Real Estate), and Exhibit C-6 (with respect to the Greens III Real Estate) attached hereto, neither the lessor/landlord nor, to each Seller's knowledge, any of the Tenants under the Leases is in default under the Leases, and no event or condition has occurred which, with the giving of notice and/or lapse of time, would constitute a default on the part of lessor/landlord or, to each Seller's knowledge, any of the Tenant's under the Leases. No Tenant has asserted in writing any Lease audit rights or other defenses, claims or set-off rights against Sellers in connection with any Lease. No Seller has knowledge of any pending or threatened litigation by any Tenant against such Seller with regard to any Lease.

"**Seller Property Materials**" shall mean, with respect to each respective component of the Property, the most recent surveys, environmental reports, geotechnical studies, engineering and other plans and specifications (including, without limitation, all most-recent as-builts, photographs, CAD drawings and mechanicals), engineering reports, traffic studies, fiscal impact studies, zoning and land use studies, wetlands reports, development plans, identification of utility meters and submeters, sewer and soil studies, and all other plans, studies, reports, test results, analyses, examinations, surveys, agreements, covenants, Leases, Contracts, the Greens II Ground Lease, the Greens III Ground Lease, the Existing Loan Documents, each Seller's most current title insurance policy with respect to each component of the Property (collectively, the "**Sellers' Existing Title Policies**"), easements, rights of way documentation, Liens on the Property, all real estate tax statements for the current and previous three (3) tax years (including special assessments, if any), and if received by Sellers, the valuation notices issued with respect to the Property for the coming tax year, zoning opinions and certification, and other materials related to the Property, all as in, the possession or control of a Seller or as prepared or commissioned by, for or at the direction of a Seller in the possession or control of a Seller; *provided, nevertheless*, that excluded from Seller Property Materials are any and all materials not directly related to the leasing, current maintenance and/or current management of the Property such as, without limitation, of Sellers' internal memoranda, financial projections, budgets, appraisals, accounting and tax records, computer hardware, software and data, and other or similar proprietary, electronic or confidential information.

"**Seller's Existing Title Policies**" shall have the meaning set forth in Section 13.3.

"**Tenant**" shall have the meaning set forth in Section 5.6.

"**Tenant Inducement Costs**" shall mean any out-of-pocket payments required under a Lease to be paid by the landlord/lessor thereunder to or for the benefit of the Tenant thereunder, and any rent abatement or other rent concessions granted to any Tenant under a Lease, which are in the nature of a tenant inducement, including specifically, but without limitation, tenant improvement costs, improvement costs for improvements to the Property generally, lease buyout costs, free rent and moving, design, refurbishment and other allowances and leasing commissions.

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"**Termination Date**" shall mean the date on which this Agreement shall terminate by reason of any of the provisions set forth herein.

"**Termination Notice**" shall have the meaning set forth in Section 8.4.3.

"**Termination Notice Date**" shall mean July 29, 2002.

"**Termination Right**" shall have the meaning set forth in Section 8.4.3.

"**Title Objection Date**" shall have the meaning set forth in Section 13.4.

"**Title Insurer**" shall mean any title insurance company selected by Purchaser for the purpose of insuring Purchaser's, Purchaser's Greens I Entity or Purchaser's Designees, as applicable, title to the Property at Closing.

"**TRCLP**" shall mean The Rubenstein Company, L.P., a Delaware limited partnership.

"**Updated Rent Roll**" shall have the meaning set forth in Section 5.6.

1.2. **General Definitional Provisions.** Unless the context of this Agreement otherwise requires: (1) words of any gender are deemed to include each other gender; (2) words using the singular or plural number also include the plural or singular number, respectively; (3) the terms "**hereof**," "**herein**," "**hereby**," "**hereto**," and derivative or similar words, refer to this entire Agreement; (4) the terms "**Section**" or "**subsection**" refer to the specified Section or subsection of this Agreement; (5) the term "**party**" means, on the one hand, Sellers (or a Seller, as the context may require) and, on the other hand, Purchaser, and each of their respective successors and permitted assigns; (6) as used herein, the "**execution date**" of this Agreement or "**date**" of this Agreement will in each case mean and be deemed to be the date set forth in the Preamble; (7) all references to "**dollars**" or "**\$**" refer to currency of the United States of America; (8) accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles; (9) the terms "**include**" or "**including**" will mean without limitation by reason of enumeration; and (10) the term "**component**" of the Property refers to the Greens I Property, the Greens II Property and/or the Greens III Property, as the context may require.

2. **Purchase and Sale.** Each Seller agrees to sell and convey all of its respective right, title and interest in and to the Property to Purchaser, and Purchaser agrees to purchase and accept all of each respective Seller's right, title and interest in and to the Property from each respective Seller, for the Purchase Price and on and subject to the other terms and conditions stated herein.

3. **Purchase Price; Payment Terms and Allocation.**

3.1. **Purchase Price.** The aggregate purchase price for the Property (the "**Purchase Price**") shall be Forty-seven Million, Thirty-one Thousand, Eight hundred Eighty-seven Dollars (\$47,031,887), comprised of the following components:

3.1.1. **Loan Assumption Component.** A loan assumption component (the "**Mortgage Component**"), as more completely described hereinafter, in the amount of \$16,000,000, which will be the outstanding principal amount of the Mortgage Loan on and as of the Closing Date; and

3.1.2. **Cash Component.** A cash component (the "**Cash Component**") equal to the difference between the Purchase Price and the Mortgage Component.

3.2. **Payment Terms.** The Purchase Price shall be paid to Sellers by Purchaser in accordance with the following:

3.2.1. **Deposit.** The deposit (the Initial Deposit and the Second Deposit together, the "**Deposit**") shall consist of two portions: (A) the initial deposit (together with all interest thereon, the "**Initial Deposit**") in the amount of Five Hundred Thousand Dollars (\$500,000), which shall be

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deposited with Escrow Agent within two (2) Business Days after the execution of this Agreement by all parties, and (B) the second deposit (together with all interest thereon, the "**Second Deposit**"), in the amount of \$2,000,000, which shall be deposited with Escrow Agent no later than 5:00 P.M. (Eastern time) on the Termination Notice Date, provided Purchaser has not terminated the Agreement pursuant to Section 8.4.3 (the date and time required for payment of such Second Deposit being strictly of the essence of this Agreement). The Deposit shall be posted in cash with Escrow Agent, and shall be held and disbursed in accordance with the provisions of this Agreement. If Closing occurs, the Deposit shall be credited at Closing to the Cash Component of the Purchase Price.

3.2.2. **Balance of the Cash Component.** The balance of the Cash Component of the Purchase Price (the "**Cash Component Balance**"), subject to prorations and adjustments and to application of the Deposit as set forth herein, shall be payable by Purchaser at Closing by wire transfer of immediately available federal funds to Escrow Agent through a closing escrow established with Escrow Agent and to be disbursed by Escrow Agent to each respective Seller pursuant to separate instructions from the Sellers to Escrow Agent. Buyer's obligations to pay the Cash Component Balance shall not have been satisfied unless and until such funds have been in fact received by Sellers.

3.2.3. **Mortgage Component.** Subject to the provisions of this Agreement, Purchaser (or Purchaser's Green's One Entity as defined in section 3.3) shall acquire and accept title to the Greens I Property at Closing under and subject to the terms, conditions, encumbrances and other provisions of the Loan Documents (the "**Loan Assumption**").

3.3. **Concerning the Mortgage Loan.** Purchaser acknowledges that the loans currently affecting and encumbering the Greens I Property are two separate loans secured by a single deed of trust (collectively, the "**Existing Loan**") made by The Northwestern Mutual Life Insurance Company ("**Lender**") jointly to TRC I and TRC Pinnacle Towers, L.L.C. (an affiliate of TRC I) ("**Pinnacle**"), which loans also encumber certain property owned by Pinnacle (the "**Pinnacle Towers Property**"). The Pinnacle Towers Property is not a part of the transactions evidenced by this Agreement. The documents evidencing and/or securing the Existing Loan, as it relates to the Greens I Property (the "**Existing Loan Documents**"), are described on Exhibit F attached hereto, and Purchaser acknowledges that Sellers have delivered to Purchaser copies of the Existing Loan Documents. Seller agrees that in connection with its sale of all of TRC I's right, title and interest in and to the Greens I Property, it will cause the Existing Loan to be modified (and the Existing Loan Documents will be amended) [the "**Existing Loan Modification**"] to separate the Existing Loan into two separate loans secured by two separate deeds of trust, one of which applies to and is secured by the Pinnacle Towers Property and under which Pinnacle is the borrower, and the other of which applies to and is secured solely by the Greens I Property (the resultant loan affecting and encumbering solely the Greens I Property shall be referred to herein as the "**Mortgage Loan**"). Purchaser intends to create a single purpose Virginia limited liability company, the sole member of which shall be Corporate Office Properties Limited Partnership ("**COPLP**"), to take title to the Greens I Property and assume the Mortgage Loan ("**Purchaser's Greens I Entity**"). The Mortgage Loan shall have an initial outstanding principal balance of \$16,000,000 as of the Closing Date, a fixed interest rate of not more than seven and ninety-five one hundredths percent (7.95%), an amortization period (for monthly payment purposes) of not less than twenty (20) years, and a maturity date not earlier than February 1, 2010 (the "**Mortgage Loan Terms**"). Purchaser agrees that the Existing Loan Documents shall be modified to conform to the Mortgage Loan Terms and to reflect other terms and conditions agreed upon by Lender and Purchaser. In connection with the Closing and Purchaser's Greens I Entity's assumption of the Mortgage Loan, (i) TRC I and Purchaser's Greens I Entity shall execute an assignment and assumption of the Mortgage Loan on a form reasonably acceptable to Lender and Purchaser, which shall contain Lender's consent to Purchaser's Greens I Entity's assumption of the Mortgage Loan and such customary estoppel statements by Lender as are

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reasonably acceptable to Purchaser (the "**Loan Assignment, Assumption and Consent**"); (ii) Purchaser's Greens I Entity shall execute the Loan Documents modified as set forth above; (iii) TRC I shall be released from all of its obligations under the Mortgage Loan, except for any liabilities and obligations of TRC I that expressly survive assignment, transfer or repayment of the Existing Loan (e.g., environmental indemnities); and (iv) Purchaser's Greens I Entity shall execute and deliver such other documents, instruments, certificates and/or legal opinions as may be reasonably required by the Lender in a form reasonably acceptable to Purchaser and Lender. As further set forth in Sections 11.6, the parties hereby agree that (A) Sellers shall pay (x) any and all fees and charges of Lender associated with the Existing Loan Modification and the Lender Approval, and (y) any and all loan transfer fees and debt assumption fees due to Lender in connection with the Loan Assumption (collectively, the "**Debt Assumption Fee**"); (B) Purchaser shall pay any and all fees charged by Lender in connection with the drafting and negotiating of the Loan Assignment, Assumption and Consent and the Loan Documents; and (C) each of Purchaser and Sellers shall pay their respective attorneys' fees incurred in connection with the transactions contemplated under this Section 3.3. The term "Purchaser" as used in this Agreement shall include the Purchaser's Greens I Entity and Purchaser's Designees.

3.3.1. Notwithstanding anything in this Agreement to the contrary, in addition to Purchaser's termination rights set forth in Section 8.4.3, after receipt by Purchaser of the final drafts of the Loan Assignment, Assumption and Consent and the Loan Documents, Purchaser shall have a three (3) Business Day period to review the terms, conditions and provisions thereof (the "**Loan Review Period**"). If Purchaser determines within the Loan Review Period that it is not satisfied with the terms, conditions and provisions of the Loan Assignment, Assumption and Consent and the Loan Documents, Purchaser shall have the right to terminate this Agreement by delivering written notice to Sellers within such three (3) Business Day period, in which event, the Deposit shall be returned to Purchaser, this Agreement shall terminate and no longer be of any force or effect, and no party shall have any further liability or obligation hereunder to any other, except under written obligations set forth in this Agreement that expressly survive termination of this Agreement (collectively, the "**Surviving Obligations**").

3.4. **Allocation.** The parties agree that the aggregate Purchase Price shall be allocated among the Greens I Property, the Greens II Property and the Greens III Property as follows:

- (1) The Greens I Property—\$26,535,000
- (2) The Greens II Property—\$20,033,033
- (3) The Greens III Property—\$463,854

Each respective Seller may allocate its allocable portion of the aggregate Purchase Price among its various components of the Property as such Seller may elect in its sole discretion. Notwithstanding anything set forth herein to the contrary, in no event whatsoever shall Purchaser be obligated to confirm and/or administer the application of the Purchase Price among the Sellers, which allocation shall be the sole responsibility of the Sellers.

4. Escrow of Deposit.

4.1. **Escrow Agent.** The Initial Deposit shall be deposited with Escrow Agent as provided in Section 3.2.1 and shall be held in escrow by Escrow Agent and disbursed and applied in accordance with the provisions hereof.

4.2. **Application of Deposit.** The parties and Escrow Agent hereby agree that the Deposit shall be applied as follows:

4.2.1. If Closing is held, the Deposit shall be paid over to Sellers at Closing (by wire transfer of immediately available federal funds to the account of Sellers or such other person or persons as Sellers may designate in writing) and credited against the Purchase Price.

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4.2.2. If Closing is not held by reason of Purchaser's default, the Deposit shall be paid over to Sellers as provided in Section 19.2 below.

4.2.3. If Closing is not held by reason of Sellers' default, the Deposit shall be paid over to Purchaser as provided in Section 19.1 below.

4.2.4. If Closing is not held by reason of a failure of condition and not by reason of a default by Sellers or Purchaser hereunder, the Deposit shall be paid over to Purchaser, this Agreement shall terminate and no longer shall be of any force or effect, and no party shall have any further liability or obligation hereunder to any other, except for any Surviving Obligations.

4.3. **Manner of Holding.** The Deposit shall be held in an interest bearing money-market account with a federally insured national or state-chartered bank, savings bank, or savings and loan association acceptable to and first approved by Sellers and Purchaser. Purchaser shall provide a completed and executed W-2 form to Escrow Agent.

4.4. **Limitation of Liability.** Escrow Agent and its officers and employees are acting as agents only, and will in no case be held liable either jointly or severally to any party for the performance of any term or covenant of this Agreement or for damages for the non-performance hereof unless the same results from the negligence, gross negligence, or willful misconduct of Escrow Agent. Escrow Agent shall not be required or obligated to determine any questions of fact or law. Escrow Agent's only responsibility hereunder shall be for the safekeeping of the Deposit and the full and faithful performance by Escrow Agent of the duties imposed by this Section 4.

4.5. **Conflicting Demands.** Upon receipt of a written demand for the Deposit (a "**Deposit Demand**") by Sellers or Purchaser (the "**Demanding Party**"), Escrow Agent shall promptly send a copy of such Deposit Demand to the other party (the "**Non-Demanding Party**"). Escrow Agent shall hold the Deposit for five (5) Business Days from the date of delivery by Escrow Agent of the Deposit Demand to the Non-Demanding Party (the "**Objection Period**") or until Escrow Agent receives a confirming instruction from the Non-Demanding Party. In the event the Non-Demanding Party delivers to Escrow Agent written objection to the release of the Deposit to the Demanding Party (an "**Objection Notice**") within the Objection Period (which Objection Notice shall set forth the basis under this Agreement for objecting to the release of the Deposit), Escrow Agent shall promptly send a copy of the Objection Notice to the Demanding Party. In the event no Objection Notice is received by Escrow Agent within the Objection Period, Escrow Agent shall promptly release the Deposit to the Demanding Party in accordance with the Deposit Demand. In the event of any dispute between the parties regarding the release of the Deposit, Escrow Agent, in its good faith business judgment, may disregard all inconsistent instructions received from either party and may either (1) hold the Deposit until the dispute is mutually resolved and Escrow Agent is advised of such mutual resolution in writing by both Sellers and Purchaser, or Escrow Agent is otherwise instructed by a final, non-appealable judgment of a court of competent jurisdiction, or (2) deposit the Deposit with a court of competent jurisdiction by an action of interpleader (whereupon Escrow Agent shall be released and relieved of any further liability or obligations hereunder from and after the date of such deposit). In the event Escrow Agent shall in good faith be uncertain as to its duties or obligations hereunder or shall receive conflicting instructions, claims or demands from the parties hereto, Escrow Agent shall promptly notify both parties in writing and thereafter Escrow Agent shall be entitled (but not obligated) to refrain from taking any action other than (1) to perform its duties under Section 4.3 above, and (2) to keep safely the Deposit until Escrow Agent shall receive a joint written instruction from both parties clarifying Escrow Agent's uncertainty or resolving such conflicting instructions, claims or demands, or until a final non-appealable judgment of a court of competent jurisdiction instructs Escrow Agent to act.

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5. **Representations and Warranties of Sellers.** Sellers jointly and severally represent and warrant to Purchaser as follows:

5.1. **Organization, Power and Authority.** Each Seller is a limited liability company, duly organized, validly existing and in good standing under the laws of the Commonwealth of Virginia. Each Seller has all necessary power and authority to sell, transfer, convey and deliver its respective component of the Property to be sold and purchased hereunder and to execute, deliver and perform its obligations hereunder. The person executing this Agreement on behalf of each Seller has all necessary power and authority to execute and deliver this Agreement on behalf of the respective Seller and to bind the respective Seller to the provisions hereof.

5.2. **No Breach.** Subject to securing the consent of Lender and each Ground Lessor to the respective purchase and sale transactions contemplated by this Agreement, the execution and delivery of this Agreement, the consummation of the transactions provided for herein and the fulfillment of the terms hereof will not result in a breach of any of the terms or provisions of, or constitute a default under, any agreement of a Seller or any instrument to which a Seller is a party or by which a Seller or its respective

component of the Property is bound, or any judgment, decree or order of any court or governmental body, or any applicable law, rule or regulation.

5.3. **Title; Permitted Exceptions.** TRC I is the owner of the Greens I Property, subject only to Permitted Exceptions affecting the Greens I Property. TRC II is the owner of the Greens II Property, subject only to Permitted Exceptions affecting the Greens II Property. TRC III is the owner of the Greens III Property, subject only to Permitted Exceptions affecting the Greens III Property. At Closing, each respective Seller shall transfer and convey all of its respective right, title and interest in and to its respective component of the Property to Purchaser, subject only to the applicable Permitted Exceptions.

5.4. **No Condemnation.** No Seller has received any written notice of, nor does it have actual knowledge of, any pending, threatened or contemplated action by any Authority having the power of eminent domain which might result in the Property or any portion thereof being taken by condemnation or conveyance in lieu thereof.

5.5. **No Assessments.** Other than as may be set forth in the Permitted Exceptions, no Seller has received written notice of, nor does any Seller have actual knowledge of, any assessments against any portion of the Property which remain unpaid (except ad valorem real estate taxes and utility bills not yet due and payable), whether or not they are of public record and whether or not they are payable in installments or have become Liens; and each respective Seller shall notify Purchaser upon learning of any such assessments; the Property is not subject to assessments for any street paving or curbing heretofore laid. Except with respect to the Greens III Property (which Purchaser acknowledges is undeveloped), all sewer, water, gas, electric, telephone and drainage lines and infrastructure required by law and for the normal operation of the Property are fully installed, currently function properly and service the Property for its current use, and there are no unpaid assessments or charges for the installation of such utilities or for making connection thereto that have not been fully paid.

5.6. **Leases.** Attached hereto as Exhibit C-1 (with respect to the Greens I Real Estate), Exhibit C-2 (with respect to the Greens II Real Estate), and Exhibit C-3 (with respect to the Greens III Real Estate) is a true, correct and complete listing (each, a "**Current Rent Roll**"), of all leases, tenancies, and other rights of occupancy for space within and which are a part of such Seller's respective component of the Real Estate, all as amended, renewed and extended to the date hereof (collectively, the "**Leases**"). There are no parties in possession of the Property or any part thereof except the Tenants under the Leases. Each Current Rent Roll specifies the following as to each Lease as to the respective component of the Real Estate: (i) the name of the tenant under the Lease (each a "**Tenant**"), (ii) the rentable square footage of the leased premises, (iii) the commencement date of the Lease, (iv) the expiry date of the existing Lease term, (v) the current annual base rent (including, the base rent per square foot), and (vi) the amount of the required security deposit (including any letters

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of credit). Updated Rent Rolls (each, an "**Updated Rent Roll**," and collectively, the "**Updated Rent Rolls**") reflecting, as of the Closing Date, written modifications, supplements and other changes in the status of Leases, including terminations of existing Leases and execution of new Leases approved by Purchaser as set forth in Section 16.5, shall be prepared substantially in the form of Current Rent Rolls, and certified by each Seller with respect to its respective component of the Real Estate, and such Updated Rent Rolls shall be delivered to Purchaser at Closing. For purposes of the Updated Rent Roll, the term "**Lease**" or "**Leases**" as used herein shall mean (i) all Leases identified on a Current Rent Roll which remain subsisting as of the Closing Date, and (ii) all Leases executed subsequent to the date hereof and prior to Closing (in accordance with Section 16.5) which themselves are subsisting as of the Closing Date. Sellers have delivered, or shall deliver to Purchaser within three (3) Business Days of the date hereof pursuant to Section 8.4.1, true, accurate and complete copies of each of the Leases listed on Exhibits C-1, C-2 and C-3. Each Seller is the owner of the entire lessor's/landlord's interest in and to the Leases affecting its respective component of the Property, and neither the lessor's/landlord's interest therein nor the rents payable thereunder have been assigned, pledged or encumbered in any manner, other than in connection with the Existing Loan and the loan from Commerce Bank, N.A. encumbering the Greens II Property (which Commerce Bank, N.A. loan shall be removed from record title of the Greens II Property at or in connection with the Closing). It is expressly acknowledged and understood that none of the Sellers has represented or warranted and each Seller does not and will not represent or warrant that the status of the Leases as of the Closing Date will be the same as existing on the date hereof.

5.7. **Contracts.** Attached hereto as Exhibit D-1 (with respect to the Greens I Real Estate), Exhibit D-2 (with respect to the Greens II Real Estate), and Exhibit D-3 (with respect to the Greens III Real Estate) is a true, correct and complete listing and brief description of all Contracts. Sellers have delivered, or shall deliver to Purchaser within three (3) Business Days of the date hereof pursuant to Section 8.4.1, or otherwise make available to Purchaser, true, accurate and complete copies of each of the Contracts listed on Exhibits D-1, D-2 and D-3. Except as may be set forth on Exhibits D-1, D-2 and D-3, no Contract has been modified or amended. No Seller has received written notice that any Contract is not in full force and effect.

5.8. **Litigation and Other Proceedings.** There are no judgments unsatisfied against Sellers or the Property or consent decrees or injunctions to which Sellers or the Property are subject, and there is no litigation, action, suit, claim or proceeding pending or to each Seller's actual knowledge threatened against such Seller or its respective component of the Property except (i) such as are insured and being defended by such Seller's insurance carriers (collectively, "**Insured Claims**"), and (ii) ordinary landlord/tenant dispossession actions with respect to the payment of rent or other default under Leases (collectively, "**Landlord Claims**"). Notwithstanding the foregoing, such Insured Claims and/or Landlord Claims do not impede or have a material adverse affect on any Seller's ability to perform its obligations under, or comply with the terms of, this Agreement, or have a material adverse affect on any Seller's title, use, or operation of its component of the Property.

5.9. **No Notice.** As of the date hereof, no Seller has received any written notice, nor does any Seller have actual knowledge, that its component of the Property is in violation of any applicable environmental, use or zoning law or regulation affecting or encumbering the Property or any portion thereof (including the conduct of business operations thereon), or of any recorded covenants, easements or other agreements affecting the Property, and to each Seller's knowledge, it has complied with all such laws, covenants, easements and agreements.

5.10. **No Bankruptcy.** No Seller is in the hands of a receiver; no Seller has filed a petition for relief, or been the subject of the filing of a petition for relief, under the United States Bankruptcy Code or state insolvency law; and no order for creditors' relief has been entered with respect to a Seller.

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5.11. **Zoning; Subdivision.** Except as set forth on Schedule 5.11 attached hereto, there are no deposits or other escrowed amounts posted by any Seller in connection with any component of the Property, including, without limitation, in connection with any zoning or land use proffer(s), and there exist no outstanding bond obligations of any Seller with respect to its component of the Property or any part thereof.

5.12. **Declaration.** No Seller has received any written notice that it is in default of any of its obligations under the Declaration.

5.13. [INTENTIONALLY DELETED.]

5.14. **Books and Records; Financial Operation.** All books and records relating to operating income and expenses of the Property furnished or made available to Purchaser by Sellers were and shall be those maintained by Sellers in regard to the Property in the normal course of business. To each Seller's knowledge, the operating statements covering the Property furnished by Sellers to Purchaser are, in all material respects, accurate, and complete and have been prepared in accordance with the books and records of Sellers. To each Seller's knowledge, the financial statements referred to above reflect all material costs of operations of the Property by Sellers. Since the date of the operating statements covering the Property, to each Seller's knowledge, there has been no material adverse change in the business or financial condition of any Seller or any component of the Property, and Sellers have no knowledge of any prospective material adverse change. The foregoing is qualified by general economic conditions.

5.15. **Foreign Person.** None of the Sellers is a "foreign person," "foreign trust" or "foreign corporation" within the meaning of the United States Foreign Investment and Real Property Tax Act of 1980 and the Internal Revenue Code of 1986, as subsequently amended.

5.16. **No Other Agreements.** Other than this Agreement and the Permitted Exceptions, the Property is not subject to any outstanding agreement(s) of sale, or options, rights of first refusal or other rights to purchase.

5.17. **Hazardous Substances.** Except as disclosed in any of the environmental reports (collectively, the "Environmental Reports") comprising a part of the Seller Property Materials, or as otherwise disclosed by the Sellers to Purchaser in writing, to the knowledge of the Sellers (which is based solely on the Environmental Reports and with no knowledge to the contrary), (a) neither the Property nor any Seller's operation and management thereof is in violation of any Environmental Law (as hereinafter defined) or is subject to any pending or threatened litigation or inquiry by any Authority or to any remedial action or obligations under any Environmental Law; (b) no underground storage tanks have been or are now located on the Property; (c) the Property is not now and never has been used for industrial purposes or for the storage, treatment or disposal of hazardous waste, hazardous material, chemical waste, or other toxic substance, and (d) no hazardous substances or toxic wastes have been disposed of or are now located upon the Property in violation of applicable Environmental Law (including, without limitation, asbestos and PCB's). As used herein, the term "Environmental Law" means any law, statute, ordinance, rule, regulation, order or determination of any governmental authority or agency affecting the Property and pertaining to health or the environment including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1982 and the Resource Conservation and Recovery Act of 1986. Prior to Closing, Sellers agree to promptly notify Purchaser of any fact of which Sellers acquire actual knowledge which would cause this representation to become false and of any written notice that any Seller receives regarding the matters set forth in this Section 5.17. The foregoing is qualified by any hazardous waste, hazardous material, chemical waste, or other toxic substance now or formerly on or about the Property used or present in connection with the ordinary development, operation and/or maintenance of the Property in accordance with Environmental Laws.

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5.18. **Lease Commissions.** Except as disclosed on Exhibit G-1 (with respect to the Greens I Real Estate) and Exhibit G-2 (with respect to the Greens II Real Estate) and Exhibit G-3 (with respect to the Greens III Real Estate) attached hereto, as of the date hereof (a) there do not exist any unpaid leasing commissions due or that will come due hereafter (including after the Closing Date) with respect to the current terms of (and current leased premises under) any of the Leases shown on the Current Rent Rolls, and (b) there are no agreements (i) providing for the payment from and after Closing of leasing commissions or fees for procuring tenants for the current term of (and current leased premises under) any of the Leases with respect to the Property, or (ii) providing for the payment of any above-market leasing commissions or fees upon the future exercise by any Tenant of renewal, extension or expansion rights set forth in its Lease.

5.19. **Tenant Inducement Costs.** Except as listed on Schedule 5.19 attached hereto, Sellers have performed all of the duties, liabilities and obligations imposed upon Sellers by the terms, provisions and conditions contained in the Leases and relating to the current term of (and current leased premises under) each of the respective Leases and accruing on or prior to the date hereof.

5.20. [INTENTIONALLY DELETED.]

5.21. **Personalty.** None of the Personalty is held by Sellers under a lease or installment sale contract, and Sellers own title to the Personalty free and clear of any liens or claims.

5.22. **Permits.** To each Seller's knowledge, Sellers have acquired all Permits, easements, and rights-of-way, including, without limitation, all building and occupancy permits from all Authorities having jurisdiction over the Property or from private parties for the current use, maintenance, occupancy, and operation of each component of the Property and to ensure unimpeded access, ingress and egress to and from each component of the Property as required to permit the current usage of the Improvements, and, to each Seller's knowledge, all such Permits, easements and rights-of-way are in full force and effect.

5.23. **Insurance.** No insurance company insuring either the Improvements or the Personalty nor the Board of Fire Underwriters has delivered to any Seller written notice (i) that any insurance policy now in effect would not be renewed or (ii) that any Seller or any Tenant under the Leases has failed to comply with insurance requirements or (iii) that defects or inadequacies exist in the Property, or in any component part thereof, which could adversely affect the insurability thereof or the cost of such insurance.

5.24. **Ground Leases.** Full and complete copies of each Ground Lease and all amendments thereto and modifications thereof have been or will be provided to Purchaser at the time of delivery of the Seller Property Materials pursuant to Section 8.4.1. To each of TRC II's and TRC III's respective knowledge, each Ground Lease is in full force and effect. TRC II is the owner of the entire lessee's interest in and to the Greens II Ground Lease, and its interest therein has not been assigned, pledged or encumbered in any manner, except in connection with that certain mortgage loan made by Commerce Bank, N.A. to TRC II, which mortgage loan shall be paid and removed from record title in connection with or prior to Closing. TRC III is the owner of the entire lessee's interest in and to the Greens III Ground Lease, and its interest therein has not been assigned, pledged or encumbered in any manner. No rent or other amounts due under the Ground Leases has been paid more than one (1) month in advance. To each of TRC II's and TRC III's respective knowledge, there exists no circumstance or state of facts that constitutes a default by Sellers or either Ground Lessor under the Ground Leases, or that would, with the passage of time or the giving of notice, or both, constitute a default on the part of Sellers or either Ground Lessor under the Ground Leases, and neither Ground Lessor has asserted any written claims against Sellers in connection with the Ground Leases. Sellers have no knowledge of any pending or threatened litigation by either Ground Lessor against any Seller with regard to the Ground Leases. Neither TRC II nor TRC III has received any written notice that it has failed to have performed all of the duties, liabilities and obligations imposed upon Sellers by the terms, provisions and conditions contained in the Ground Leases and accruing on or prior to the date hereof.

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5.25. **Limitations Regarding Representations and Warranties.** The representations and warranties of Seller herein are qualified by the Seller Property Materials. Seller shall only be obligated, liable or responsible to Purchaser for a breach or violation of any representation or warranty contained herein to the extent Purchaser incurs any actual loss as a result of such breach or violation. Without limiting the foregoing, in the event Purchaser alleges any breach or violation of any representation or warranty contained herein with respect to any of the Leases or the physical condition of the Property (or any part thereof), Seller shall be permitted to attempt to mitigate the loss to Purchaser as a result of such breach or violation and Purchaser shall reasonably cooperate with Seller (at no out-of-pocket, third-party cost or expense to Purchaser) and shall provide Seller with access to the Property, in connection with such mitigation. Seller shall not be obligated, liable or responsible to Purchaser for any inaccuracy of any representation or warranty made by Seller to Purchaser in this Agreement (i) if such inaccuracy is or becomes known to Purchaser on or prior to the Termination Notice Date, or (ii) if such inaccuracy becomes known to Purchaser between the Termination Notice Date and the Closing Date and Purchaser elects to proceed with the Closing (except that the foregoing exculpation from liability in clauses (i) and (ii) shall not extend to any inaccuracy of any representation or warranty made by Seller to Purchaser in this Agreement which is made knowingly by Seller with an intent to mislead or deceive). Nothing in this Section shall limit Purchaser's ability not to proceed to and conclude Closing hereunder pursuant to and in accordance with Section 8.

6. **Representations and Warranties of Purchaser.** Purchaser represents and warrants to Sellers as follows:

6.1. **Organization, Power and Authority.** Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Purchaser has all necessary power and authority to purchase the Property to be sold and purchased hereunder and to execute, deliver and perform its obligations hereunder. The person executing this Agreement on behalf of the Purchaser has all necessary power and authority to execute and deliver this Agreement on behalf of the Purchaser and to bind the Purchaser to the provisions hereof.

6.2. **No Breach.** The execution and delivery of this Agreement, the consummation of the transactions provided for herein and the fulfillment of the terms hereof will not result in a breach of any of the terms or provisions of, or constitute a default under, any agreement of Purchaser or any instrument to which Purchaser is a party or by which Purchaser is bound, or any judgment, decree or order of any court or governmental body, or any applicable law, rule or regulation.

6.3. **No Bankruptcy.** Purchaser is not in the hands of a receiver; Purchaser has not filed a petition for relief, or been the subject of the filing of a petition for relief, under the United States Bankruptcy Code or state insolvency law; and no order for creditors' relief has been entered with respect to Purchaser.

6.4. **No Inducement.** In entering into this Agreement, Purchaser has not been induced by and has not relied upon any written or oral representations, warranties or statements, whether express or implied, made by any Seller, any Affiliate of any Seller, or any agent, employee, or other representative of any of the foregoing or by any broker or any other person representing or purporting to represent a Seller, with respect to the Property (or any portion thereof), the Condition of the Property or any other matter affecting or relating to the transactions contemplated hereby, other than those expressly set forth in this Agreement.

7. **Conditions Precedent to Seller's Obligations.** Sellers' obligations to proceed to and conclude Closing hereunder are conditioned on the satisfaction, at or before the time of Closing hereunder, of each of the conditions set forth in Section 7 (any one or more of which may be waived in whole or in part by Sellers, at Sellers' option). In the event that all of the conditions precedent are not satisfied or waived in writing by the Scheduled Closing Date, Sellers may, at their option, by written notice to Purchaser, either (i) extend the Scheduled Closing Date for a reasonable period of time to allow

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Purchaser to satisfy any condition that is reasonably capable of being satisfied by Purchaser, or (ii) terminate this Agreement, in which event the Deposit shall be returned to Purchaser free of any claims by Sellers or any other party with respect thereto, this Agreement shall terminate and no longer shall be of any force or effect, and no party shall have any further liability or obligation hereunder to any other, except for any Surviving Obligations; provided, however, if a failed condition is a result of a breach by Purchaser of any of its covenants hereunder, Sellers may exercise their rights and remedies under Section 19.2, and provided further, however, if a failed condition is a result of a breach by Sellers of any of their covenants hereunder, Sellers shall not be entitled to terminate this Agreement as provided above and Purchaser shall be entitled to exercise its rights and remedies under Section 19.1.

7.1. **Accuracy of Representations.** All of the representations and warranties of Purchaser contained in this Agreement shall have been true and correct when made. In addition, all of the representations and warranties of Purchaser contained in this Agreement shall be true and correct on the Closing Date with the same effect as if made on and as of such date (except to the extent the same relate to an earlier date, then on and as of such earlier date). To evidence the foregoing, Purchaser shall deliver to Sellers at Closing a certificate to that effect, substantially in the form of Exhibit I attached hereto, dated the Closing Date, which certificate shall have the effect of a representation and warranty of Purchaser made on and as of the Closing Date.

7.2. **Performance; Simultaneous Closing.** Purchaser shall have performed, observed and complied in all material respects with all covenants and agreements required by this Agreement to be performed, observed and complied with on its part prior to or as of Closing hereunder. Closing hereunder in respect of the Greens I Property, the Greens II Property and the Greens III Property shall have occurred simultaneously.

7.3. **Documents and Deliveries.** All instruments and documents required on Purchaser's part to effect this Agreement and the transactions contemplated hereby, all as set forth herein generally and particularly in Section 10.3 hereof, shall be delivered to Sellers and shall be in form and substance consistent with the requirements herein and otherwise reasonably satisfactory to Sellers and their counsel.

7.4. **Lender Approval.** Lender shall have approved in writing the transfer of the Greens I Property to Purchaser and the Loan Assumption and shall have fully released and discharged TRC I from all liabilities and obligations under or with respect to the Mortgage Loan, except for any liabilities and obligations of TRC I that expressly survive assignment, transfer or repayment of the Existing Loan and shall have fully released and discharged each guarantor from all liabilities and obligations thereunder, except for any liabilities and obligations of the guarantors that expressly survive repayment of the Existing Loan (e.g., environmental indemnities)[collectively "**Lender Approval**"].

7.5. **Ground Lessor Approval.** Each Ground Lessor shall have approved (the "**Ground Lessor Approval**"), in writing, the assignment to and assumption of its respective Ground Lease to Purchaser (each, a "**Ground Lease Assignment**") and shall have fully released and discharged each of TRC II and TRC III from all liabilities and obligations accruing after the Closing (including, without limitation, releasing the guarantor of and from all guaranteed obligations under the Greens III Ground Lease).

8. **Conditions Precedent to Purchaser's Obligations.** Purchaser's obligations to proceed to and conclude Closing hereunder are conditioned on the satisfaction, at or before the time of Closing hereunder, or at or before such earlier time as may be expressly stated below, of each of the conditions set forth in Section 8 (any one or more of which may be waived in whole or in part by Purchaser, at Purchaser's option). In the event that all of the conditions precedent are not satisfied or waived in writing by the Scheduled Closing Date, Purchaser may, at its option, by written notice to Sellers, either (i) extend the Scheduled Closing Date for a reasonable period of time to allow Sellers to satisfy any condition that is reasonably capable of being satisfied by Sellers, or (ii) terminate this Agreement, in which event the Deposit shall be returned to Purchaser free of any claims by Sellers or any other party

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with respect thereto, this Agreement shall terminate and no longer shall be of any force or effect, and no party shall have any further liability or obligation hereunder to any other, except for any Surviving Obligations; provided, however, if a failed condition is a result of a breach by Sellers of any of their covenants hereunder, Purchaser may exercise its rights and remedies under Section 19.1, and provided further, however, if a failed condition is a result of a breach by Purchaser of any of its covenants hereunder, Purchaser shall not be entitled to terminate this Agreement as provided above and Sellers shall be entitled to exercise their rights and remedies under Section 19.2.

8.1. **Accuracy of Representations.** All of the respective representations and warranties of Sellers contained in this Agreement shall have been true and correct in all material respects when made. In addition, all of the respective representations and warranties of Sellers contained in this Agreement shall be true and correct in all material respects on the Closing Date with the same effect as if made on and as of such date (except to the extent the same relate to an earlier date, then on and as of such earlier date). To evidence the foregoing, each Seller shall deliver to Purchaser at Closing a certificate to that effect, substantially in the form of Exhibit H attached hereto, dated the Closing Date, which certificate shall have the effect of a representation and warranty of such Seller made on and as of the Closing Date.

8.2. **Performance; Simultaneous Closing.** Sellers shall have performed, observed and complied in all material respects with all of each of their respective covenants and agreements required by this Agreement to be performed, observed and complied with on their part prior to or as of Closing hereunder. Closing hereunder in respect of the Greens I Property, the Greens II Property and the Greens III Property shall have occurred simultaneously.

8.3. **Documents and Deliveries.** All instruments and documents required on a Seller's part to effect this Agreement and the transactions contemplated hereby, all as set forth herein generally and particularly in Section 10.2 hereof, shall be delivered to Purchaser and shall be in form and substance consistent with the requirements herein and otherwise reasonably satisfactory to Purchaser and its counsel.

8.4. **Purchaser's Due Diligence and Inspections; Purchaser's Termination Right.**

8.4.1. **Seller Property Materials.** Sellers shall deliver to Purchaser, within ten (10) days after the date of this Agreement, those items of the Seller Property Materials not previously delivered to Purchaser.

8.4.2. **Purchaser's Due Diligence and Inspections.** Purchaser and its agents and representatives shall have the right, from time to time prior to Closing or termination of this Agreement, to enter upon the Property to examine the same and the condition thereof, and to conduct such surveys and to make such engineering and other inspections, examinations, tests and studies, and to review the Seller Property Materials (collectively, "**Inspections**") as Purchaser shall determine to be necessary, all at Purchaser's sole cost and expense and subject to the rights of Tenants and all applicable Laws. The Inspections may include, without limitation, environmental, mechanical and engineering inspections (including a complete inspection and review of all roofs and mechanical systems) and review of the Seller Property Materials, all as Purchaser may deem desirable; *provided, nevertheless*, that Purchaser shall not be permitted to conduct any invasive Inspections of the Property without prior notice to and the prior approval of Sellers therefor and in no event shall any of Purchaser's Inspections cause any damage to the Property or any portion thereof. Each respective Seller agrees to make its component of the Property reasonably available for the Inspections upon reasonable prior notice to such Sellers; and at the sole election of Sellers, all such Inspections may be accompanied by a representative of Sellers. Purchaser's right of access hereunder is further subject to the provisions of Section 16.6 below.

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8.4.3. **Purchaser's Termination Right.** Purchaser's obligation to complete Closing under this Agreement is subject to and conditioned upon Purchaser's investigation and study of, and satisfaction with, the Property (the "**Due Diligence Condition**"). If Purchaser, in its sole and absolute discretion, is for any reason not satisfied with the Property, or if Purchaser determines, for any reason or for no reason whatsoever, not to purchase the Property, then Purchaser shall have the absolute right (the "**Termination Right**") at any time at or prior to 5:00 P.M. (Eastern time) on the Termination Notice Date to terminate this Agreement, such Termination Right to be exercised by written notice (the "**Termination Notice**") to such effect given by or on behalf of Purchaser to Sellers in the manner provided for herein. In respect of the foregoing:

(a) If a Termination Notice shall have been delivered to and received by Sellers at or prior to 5:00 P.M. (Eastern time) on the Termination Notice Date, then (i) the Initial Deposit shall be returned to Purchaser; (ii) all Seller Property Materials delivered by any Seller to Purchaser shall be returned to Sellers, and if so requested by Sellers, all Purchaser Property Materials in which Purchaser has a right and which Purchaser can reasonably obtain from the preparer thereof shall be delivered to Sellers (at no out of pocket cost to Purchaser) without any representation or warranty from Purchaser; provided, however, that Purchaser shall have no rights or obligations to obtain any third party consent or approvals for Sellers to rely on such Purchaser Property Materials; and (iii) this Agreement shall terminate and no longer shall be of any force or effect, and no party shall have any further liability or obligation hereunder to any other, except for any Surviving Obligations.

(b) If a Termination Notice shall not have been delivered to and received by Sellers at or prior to 5:00 P.M. (Eastern time) on the Termination Notice Date, then the Termination Right shall be deemed to have been irrevocably waived by Purchaser, Purchaser shall be deemed to have been satisfied with its investigation and study of the Property, this Agreement shall continue in full force and effect in accordance with its terms as if the Termination Right were not a part hereof, and Purchaser shall have no further Due Diligence Condition, Termination Right or other right not to close pursuant to this Section 8.4.

8.5. **Lender Approval.** The Lender Approval shall have been obtained, and Lender shall have executed, acknowledged (as appropriate) and delivered into escrow with Escrow Agent counterpart copies of the Loan Assignment, Assumption and Consent and the Loan Documents to which it is a party, and shall have authorized the release of such documents from escrow in conjunction with the Closing of the transactions contemplated hereby.

8.6. **Ground Lessor Approvals.** The Ground Lessor Approvals shall have been obtained.

8.7. **Title.** The good and marketable fee simple title to the Greens I Property shall be free and clear of all liens and encumbrances, except the Permitted Exceptions applicable thereto. The good and marketable leasehold title to the Greens II Property and the Greens III Property shall be free and clear of all liens and encumbrances, except the Permitted Exceptions applicable thereto, respectively. A final examination of title to the Property shall disclose no title exceptions except for the Permitted Exceptions, matters caused by Purchaser or its activities on the Property, or other matters approved in writing by Purchaser. All Mandatory Cure Items shall have been cured as provided in Section 13.4. In addition, the Title Insurer shall be irrevocably committed to issue the Title Policy (as defined in Section 13.3) to Purchaser at Closing. Purchaser and Sellers shall use all commercially reasonable efforts to cause the Title Insurer to issue such Title Policy. In connection therewith, the parties hereto shall deliver such agreements, affidavits and other documents (on forms reasonably acceptable to Sellers and Purchaser) as the Title Insurer may reasonably request in order to consummate the transaction contemplated hereby and issue such Title Policy.

8.8. **Estoppels.** Sellers shall have obtained and delivered to Purchaser not later than three (3) Business Days prior to the Closing Date (i) Tenant Estoppel Certificates (as defined in

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Section 16.3) from the Aerospace Corporation (with respect to its space in the Greens I Property), The Boeing Company (with respect to its space in the Greens II Property) and Boeing Service Company (with respect to its space in the Greens II Property) (collectively, the "**Material Leases**"), and all other Tenants under the Leases (except for any Lease with Allied Riser Communications, Inc., Broadband Office, Inc., Yipes Communications, Inc. or Elevator News Network, Inc.), (ii) the Association Estoppel (as defined in Section 16.3), and (iii) the Ground Lessor Estoppel (as defined in Section 16.3); and (A) the information in the Tenant Estoppel Certificates shall not materially vary from the information included in the Current Rent Rolls attached hereto as Exhibits C-1, C-2 and C-3, and the copies of the Leases delivered to Purchaser for its review as a part of the Seller Property Materials, or indicate defaults under the Lease to which such Tenant Estoppel Certificate relates, (B) the information in the Association Estoppel shall not materially vary from the representation and warranty made by Sellers in Section 5.12 or the Declaration, or indicate material defaults by any Seller or any component of the Property under the Declaration, and (C) the information in the Ground Lessor Estoppels shall not materially vary from the representation and warranty made by Sellers in Section 5.24, and the copies of the Ground Leases delivered to Purchaser for its review as a part of the Seller Property Materials, or indicate material defaults by any Seller or any component of the Property under the Ground Lease to which such Ground Lessor Estoppel relates. Notwithstanding the foregoing, Sellers shall be entitled to deliver to Purchaser, not later than two (2) Business Days prior to the Closing Date, a Seller's Estoppel in substantially the form of Exhibit J attached hereto as to each of those Tenants under Leases from whom Sellers have been unable to obtain a Tenant Estoppel Certificate, the statements in which shall survive the Closing for a period of one (1) year without regard to the limitation on survival set forth in Section 21.7 or in any certificate reaffirming Sellers' representations and warranties delivered by Sellers to Purchaser at Closing; provided, however, in no event shall Sellers be entitled to deliver Seller Estoppels with respect to any of the Material Leases or with respect to Leases covering in the aggregate more than twenty-five percent (25%) of the rentable floor area of the Improvements. Sellers shall have the right at any time (either before or after the Closing) to substitute a Tenant Estoppel Certificate obtained from a Tenant with respect to any Lease for the corresponding Seller's Estoppel previously delivered by Sellers to Purchaser with respect to such Lease, so long as the Tenant Estoppel Certificate obtained confirms in all material respects the provisions of the corresponding Seller's Estoppel and does not materially vary from the information included in the Current Rent Rolls attached hereto as Exhibits C-1, C-2 and C-3, and the copies of the Leases delivered to Purchaser for its review as a part of the Seller Property Materials, or indicate defaults under the Lease to which such Tenant Estoppel Certificate relates. The Sellers shall be relieved of and released from all liability and obligations under each Seller's Estoppel with respect to which a Tenant Estoppel Certificate is delivered in substitution thereof.

8.9. **Updated Leasing Commission Exhibit and Tenant Inducement Costs.** Sellers shall have delivered to Purchaser updated Exhibits G-1, G-2 and G-3 and an updated Schedule 5.19 (collectively, the "Updated Exhibits G and Schedule 5.19"), reflecting the current respective status of such items as of the Closing Date.

8.10. **Updated Rent Roll.** Sellers shall have delivered to Purchaser Updated Rent Rolls for the Property substantially in the form of the Current Rent Rolls attached hereto as Exhibits C-1, C-2 and C-3, and the information in such Updated Rent Rolls shall not materially vary from the information included in the Current Rent Rolls attached hereto as Exhibits C-1, C-2 and C-3, except as expressly permitted pursuant to the terms of this Agreement.

9. Satisfaction or Failure of Conditions.

9.1. Lender Approval.

9.1.1. Sellers and Purchaser shall use all reasonable efforts to apply for and secure the Lender Approval. In furtherance of the foregoing, Purchaser shall at its sole cost and expense

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promptly provide to Lender such financial and other information and assurances, and shall join in and execute such applications, assumptions and other documentation, as is reasonably acceptable to Purchaser and as the Lender may from time to time reasonably request or require in order fully to (a) secure the Lender Approval and (b) effect and evidence, including of record, the Loan Assumption, including, without limitation, providing to Lender Corporate Office Properties Trust, a Maryland real estate investment trust ("COPT") and/or COPLP, as a guarantor under the Mortgage Loan. Each party shall keep the other promptly and reasonably informed of its progress in applying for and securing such Lender Approval as aforesaid. In the event Purchaser is not deemed to be a creditworthy party by, or is otherwise not acceptable to, Lender, Purchaser shall cause an affiliate of Purchaser acceptable to Lender to guaranty all obligations under the Loan and otherwise assume the obligations of each guarantor under the Mortgage Loan; provided, however, that no principal of Purchaser or any affiliate of purchaser shall be required to provide a personal guaranty of or in connection with the Mortgage Loan. If after the Termination Notice Date TRC I determines, in its reasonable discretion, that Lender will not grant the Lender Approval prior to the Outside Closing Date, Sellers may terminate this Agreement by written notice to Purchaser, in which event the Deposit shall be returned to Purchaser, and this Agreement shall terminate and no longer shall be of any force or effect, and no party shall have any further liability or obligation hereunder to any other, except for any Surviving Obligations. Purchaser and Sellers hereby acknowledge that Purchaser will present to Lender Purchaser's Greens I Entity as borrower under, and COPT as guarantor of, the Mortgage Loan. Purchaser and Sellers shall use commercially reasonable efforts to secure Lender's approval of such proposed borrower and guarantor under the Mortgage Loan and of all the documentation necessary to effect the Lender Approval and the Loan Assumption on or before the Termination Notice Date.

9.2. **Ground Lessor Approval.** Sellers shall use all reasonable efforts to apply for and secure the Ground Lessor Approvals, and upon Sellers' request, Purchaser shall reasonably and promptly cooperate, at no out of pocket cost to Purchaser, with Sellers' efforts to obtain such Ground Lessor Approvals. Such cooperation may include Purchaser providing to each Ground Lessor such financial and other information and assurances as may be reasonably requested by such Ground Lessor and joining in and executing such applications, assumptions and other documentation reasonably acceptable to Purchaser, as each Ground Lessor may from time to time reasonably request or require in order fully to (a) secure the respective Ground Lessor Approval, and (b) effect and evidence, including of record, the respective Ground Lease Assignment to Purchaser or Purchaser's Designees (as defined below), including, without limitation, providing to each Ground Lessor either COPT and/or COPLP to assume all guaranteed obligations under the Greens III Ground Lease. If Sellers, in their reasonable discretion, that a Ground Lessor will not grant the Ground Lessor Approval, Sellers may terminate this Agreement by written notice to Purchaser, in which event the Deposit shall be returned to Purchaser, and this Agreement shall terminate and no longer shall be of any force or effect, and no party shall have any further liability or obligation hereunder to any other, except for any Surviving Obligations. Purchaser and Sellers hereby acknowledge and agree that Purchaser will create two (2) single purpose Virginia limited liability companies, the sole member of both of which shall be COPLP (each a "Purchaser's Designee," and collectively, "Purchaser's Designees"), to serve as lessees under the Ground Leases, and Sellers shall use commercially reasonable efforts to secure each respective Ground Lessor's approval of such Purchaser's Designees and of all the documentation necessary to effect the respective Ground Lease Assignment on or before the Termination Notice Date.

9.2.1. Except as set forth in Section 11.6, at the Closing, Sellers shall pay any and all costs, fees and charges associated with effecting the transactions contemplated under this Section 9.2, including, without limitation, the Ground Lease Assignments (collectively, the "Ground Lease Charges").

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9.3. **Failure by Reason of a Default.** If any condition required herein shall have failed by reason of a default or breach by a party of any of its representations, warranties or covenants contained herein, then the aggrieved party shall be permitted and entitled to pursue the remedies available to it in the event of a default as set forth in Section 19 hereof.

9.4. **Failure Without a Default.** If any condition required herein shall have failed not by reason of a default or breach by a party hereunder, then, unless such failure of condition is waived: (1) all Seller Property Materials delivered by Sellers to Purchaser shall be returned to Sellers, and if requested by Sellers, all Purchaser Property Materials in which Purchaser has a right and which Purchaser can reasonably obtain from the preparer thereof shall be delivered to Sellers (at no out of pocket cost to Purchaser) without any representation or warranty from Purchaser; provided, however, that Purchaser shall have no right or obligation to obtain any third party consents or approvals for Sellers to rely on such Purchaser Property Material; (2) upon satisfaction by Purchaser of the delivery requirements in clause (1) above, the Deposit shall be returned to Purchaser; and (3) this Agreement shall terminate and no longer shall be of any force or effect, and no party shall have any further liability or obligation hereunder to any other, except for any Surviving Obligations.

9.5. **No Other Conditions.** It is expressly understood and agreed that the only conditions to the respective obligations of each Seller and Purchaser to consummate Closing hereunder are as set forth in Sections 7 and 8 hereof, respectively. In addition to the foregoing, Purchaser acknowledges and agrees that: (1) each Seller is taking its component of the Property "off the market" during the executory period of this Agreement, and (2) in consideration of the foregoing, Purchaser agrees to notify Sellers if the Due Diligence Condition will fail or is expected to fail, such notice to be given as promptly as possible after Purchaser determines in its absolute discretion that such condition will fail or is expected to fail (and Purchaser agrees not to delay giving such notice until the Termination Notice Date as above set forth). If Purchaser shall have given a notice contemplated by the foregoing clause (2) (and such notice is properly and timely given as required by Section 8.4.3), then the provisions in Section 9.4 above shall be fully applicable and this Agreement shall terminate as provided therein.

10. Closing; Deliveries at Closing.

10.1. **Date, Time and Place.** The Closing will take place five (5) Business Days after the later to occur of (i) the Termination Notice Date, and (ii) the date on which the conditions precedent set forth in Sections 8.5 and 8.6 shall have been satisfied, unless Purchaser and Sellers mutually agree, in writing, to an earlier or later date ("Scheduled Closing Date"). Notwithstanding anything in this Agreement to the contrary, in the event Closing does not occur by the Outside Closing Date through no fault of a party, either party shall have the right to terminate this Agreement by written notice to the other party, and in the event of any such termination, this Agreement shall terminate and shall be canceled with no further liability of any party to any other, except for any Surviving Obligations. The Closing will take place at 10:00 A.M. (Eastern time) on the Scheduled Closing Date, at the offices of Purchaser's counsel, Shaw Pittman LLP, 2300 N Street, N.W., Washington, D.C. 20037, or at such other place as Sellers and

Purchaser may mutually agree in writing, and in such a manner and at such time so that Sellers shall receive the full Purchase Price on the Closing Date by no later than 2:00 p.m. (Eastern Time) so that Sellers are able to deposit the Cash Component of the Purchase Price and receive interest on such deposit for the Closing Date. Time is understood to be of the strict essence hereof.

10.2. **Deliveries by Seller.** At Closing, the respective Sellers (as applicable) shall deliver to Escrow Agent, for further delivery to Purchaser, Purchaser's Greens I Entity or Purchaser's Designee, as applicable, upon the close of escrow the following:

(1) TRC I shall deliver a Special Warranty Deed substantially in the form of Exhibit K attached hereto, duly executed and acknowledged by TRC I and in proper form for recording,

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conveying fee simple title to the Greens I Real Estate, subject only to Permitted Exceptions affecting the Greens I Real Estate.

(2) Each of TRC II and TRC III shall deliver a Ground Lease Assignment substantially in the form of Exhibit L attached hereto, duly executed and acknowledged by such respective Seller and in proper form for recording, assigning to Purchaser or Purchaser's Designee all of such Seller's respective right, title and interest in and to the applicable Ground Lease, subject only to Permitted Exceptions affecting the Greens II Real Estate and the Greens III Real Estate, respectively.

(3) Three (3) Separate (i) Assignments of Assigned Contracts, each substantially in the form of Exhibit M-1 attached hereto, and (ii) Bills of Sale, each substantially in the form of Exhibit M-2 attached hereto, all as duly executed and acknowledged by the respective Seller.

(4) Three (3) Separate Assignments of Leases, each substantially in the form of Exhibit N attached hereto, duly executed and acknowledged by the respective Seller, assigning to Purchaser, Purchaser's Greens I Entity or Purchaser's Designee, as applicable (and evidencing Purchaser's, Purchaser's Greens I Entity's or Purchaser's Designee's assumption of) all of such respective Seller's right, title and interest in and to all of the Leases applicable to its component of the Property, including all of the respective Seller's right, title and interest in and to all Security Deposits and advance rentals deposited by Tenants under the Leases and the interest earned or required to be paid thereon, if any, to date.

(5) Documentation evidencing and effecting the Existing Loan Modification, and the Loan Assignment, Assumption and Consent.

(6) Documentation evidencing Ground Lessor Approvals.

(7) A certificate regarding Sellers' representations and warranties required by Section 8.1 above, duly executed and acknowledged by each Seller.

(8) To the extent in a Seller's possession or control, originals of all Leases, originals of all Assigned Contracts, and originals or copies of all other records and files, including all Tenant correspondence files and also including all bills and statements for all operating and other expenses of the respective Seller's component of the Property relating to the leasing, operation and maintenance of such component of the Property.

(9) The respective Updated Rent Rolls required by Sections 5.6.

(10) Notices to Tenants substantially in the form of Exhibit O attached hereto, prepared and duly executed by each Seller, advising of the sale of its respective component of the Property and directing that rent and other payments thereafter be sent and directed to Purchaser (or its agent) at the address provided by Purchaser at Closing, unless otherwise directed by Purchaser.

(11) Notices to contractors and other vendors under the Assigned Contracts, substantially in the form of Exhibit P attached hereto, prepared and duly executed by each Seller, advising of the sale of its respective component of the Property and directing that all future notices and other matters relating to the Assigned Contracts thereafter be sent and directed to Purchaser (or its Agent) at the address provided by Purchaser at Closing, unless otherwise directed by Purchaser.

(12) If and to the extent in a Seller's possession or control, originals or copies of all certificates of occupancy, licenses, permits, authorizations, consents and approvals issued by any Authority having jurisdiction over the respective component of the Property.

(13) Such owner's or ground lessee's affidavits and indemnities as the Title Insurer shall reasonably require in order to issue, without extra charge, the Title Policy subject only to the Permitted Exceptions, including, without limitation, affidavits as to the non-existence of parties in possession (except Tenants under the Leases) and mechanics liens, and any other affidavits and any "gap" indemnities required by the Title Insurer to issue the Title Policy required hereunder at Closing, all on forms reasonably acceptable to Sellers and the Title Insurer.

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(14) Keys or combinations to all locks at the Property in the possession of Sellers.

(15) A certificate with respect to Section 1445 of the Internal Revenue Code, stating that each respective Seller is not a "foreign person" as defined in such Section 1445 and applicable regulations thereunder.

(16) Documentation, in form and substance reasonably satisfactory to Purchaser and the Title Insurer, confirming and evidencing the following matters: that each respective Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the Commonwealth of Virginia; that each respective Seller has the power and authority to execute and deliver this Agreement and perform its obligations hereunder; that the execution, delivery and performance of this Agreement and of all instruments to be executed and delivered by each respective Seller hereunder have been duly authorized by all necessary action on the part of such respective Seller; and that the individuals executing this Agreement and the other documents and instruments referenced herein or otherwise executed and delivered in connection herewith on behalf of each respective Seller have the legal power, right and authority to bind such respective Seller under the terms and conditions stated herein.

(17) A Closing Statement(s) (as defined in Section 10.5), duly executed and acknowledged by each Seller.

(18) The assignment and assumption agreements contemplated by Sections 11.11 and 11.12 hereof.

(19) Such other items required of Sellers as set forth elsewhere herein, or as may be reasonably required by Purchaser or the Title Insurer in order to consummate the transactions contemplated by this Agreement.

10.3. **Deliveries by Purchaser.** At Closing, Purchaser shall deliver to Escrow Agent, for further delivery upon the close of the escrow to Sellers, Lender or any Ground Lessor, as applicable, the following:

(1) A wire transfer of immediately available federal funds, transferred to Sellers through the account of Escrow Agent, such wire transfer to be in an amount equal to the Cash Component Balance of the Purchase Price required under Section 3.2.2 hereof, subject to prorations and adjustments as provided in Section 11 below.

(2) The Loan Assignment, Assumption and Consent and the Loan Documents, all in form and substance reasonably satisfactory to the Lender and Purchaser, and as Lender may reasonably request or require in connection with the granting of Lender Approval and the effectuation of the Loan Assumption.

(3) Three (3) Separate Assignments of Leases referenced in Section 10.2(4) above, duly executed and acknowledged by Purchaser, Purchaser's Greens I Entity or Purchaser's Designee.

(4) Three (3) separate Blanket Conveyances, Bills of Sale and Assignments referenced in Section 10.2(3) above, duly executed and acknowledged by Purchaser, Purchaser's Greens I Entity or Purchaser's Designee.

(5) A certificate regarding Purchaser's representations and warranties required by Section 7.1 above.

(6) Documentation, in form and substance reasonably satisfactory to Sellers, each Ground Lessor, Lender, and the Title Insurer, confirming and evidencing the following matters: that Purchaser is a corporation, duly formed, validly existing and in good standing under the laws of Delaware, if applicable; that each of Purchaser's Designees and Purchaser's Greens I Entity is a limited liability company, duly formed, validly existing and in good standing under the laws of the

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Commonwealth of Virginia; that Purchaser has the power and authority to execute and deliver this Agreement and perform its obligations hereunder; that the execution, delivery and performance of this Agreement and of all instruments to be executed and delivered by Purchaser hereunder have been duly authorized by all necessary action on the part of Purchaser; and that the individuals executing this Agreement and the other documents and instruments referenced herein or otherwise executed and delivered in connection herewith on behalf of Purchaser have the legal power, right and authority to bind Purchaser under the terms and conditions stated herein.

(7) A Ground Lease Assignment for each of the Ground Leases duly executed and acknowledged by Purchaser's Designees and in proper form for recording.

(8) A Closing Statement(s), duly executed and acknowledged by Purchaser.

(9) The assignment and assumption agreements contemplated by Sections 11.11 and 11.12 hereof.

(10) Such other items required of Purchaser as set forth elsewhere herein or as may be reasonably required by Sellers to consummate the transactions contemplated by this Agreement.

10.4. **Liabilities; Assignment and Assumption of Certain Contract Obligations.**

10.4.1. **Purchaser's Indemnity.** Purchaser hereby agrees to indemnify Sellers against, and to hold Sellers harmless from, all claims, demands, causes of action, losses, damages, liabilities, costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements) asserted against or incurred by Sellers in connection with or arising out of (i) the ownership, maintenance or operation of the Property and attributable to events occurring on or after the Closing Date, or (ii) a breach of any representation, warranty or covenant of Purchaser contained in this Agreement. Purchaser's obligations under this Section 10.4.1 shall survive Closing (however, the indemnity with respect to the matters addressed in clause (ii) above shall survive the Closing only for a period of six (6) months). Notwithstanding anything to the contrary contained herein, (i) Purchaser's indemnity obligations hereunder will not extend to claims arising out of the negligence or willful misconduct of any Seller, and (ii) in no event shall such indemnification cover any indirect or consequential damages of any Seller, including, without limitation, lost profits.

10.4.2. **Sellers' Indemnity.** Sellers hereby agree to indemnify Purchaser, Purchaser's Greens I Entity and Purchaser's Designees, as each of their respective interests may appear, against, and to hold Purchaser, Purchaser's Greens I Entity and Purchaser's Designees harmless from, all claims, demands, causes of action, losses, damages, liabilities, costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements) asserted against or incurred by Purchaser, Purchaser's Greens I Entity or Purchaser's Designees in connection with or arising out of (i) a breach of any representation, warranty or covenant of Sellers contained in this Agreement, or (ii) any Insured Claim or Landlord Claim. Sellers' obligations under this Section 10.4.2 shall survive Closing (however, the indemnity with respect to the matters addressed in clause (i) above shall survive the Closing only for a period of six (6) months). Notwithstanding anything to the contrary contained herein, (i) Sellers' indemnity obligations hereunder will not extend to claims arising out of the negligence or willful misconduct of Purchaser, Purchaser's Greens I Entity or Purchaser's Designees, and (ii) in no event shall such indemnification cover any indirect or consequential damages of Purchaser, Purchaser's Greens I Entity or Purchaser's Designees, including, without limitation, lost profits.

10.4.3. **Assigned Contracts.** Subject to the terms and conditions of this Agreement, by written agreement (the "**Blanket Conveyances, Bills of Sale and Assignments**"), the respective Sellers shall assign to Purchaser's Greens I Entity or Purchaser's Designees, as applicable, at Closing all of their right, title and interest in and to the Contracts Purchaser elects to assume pursuant to Section 16.2 hereof (the "**Assigned Contracts**"), and Purchaser's Greens I Entity or

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Purchaser's Designees, as applicable, shall assume and agree to perform each respective Seller's duties and obligations under all such Assigned Contracts accruing on and after the Closing Date. If the Assigned Contracts do not permit assignment to Purchaser's Greens I Entity or Purchaser's Designees, as applicable, Sellers shall use commercially reasonable efforts to cause the parties to the Assigned Contracts to consent to such assignment to Purchaser's Greens I Entity or Purchaser's Designees, as applicable, at Closing, and failing such consent, those Assigned Contracts which are not assignable shall not be assigned to Purchaser and shall remain the responsibility of the respective Sellers.

10.5. **Closing Statement.** At Closing, Sellers and Purchaser shall execute and deliver one or more closing statements prepared by the Title Insurer and reasonably satisfactory to Sellers and Purchaser (each a "**Closing Statement**"), which shall, among other items, set forth the Purchase Price, all credits against the Purchase Price, the amounts of all prorations and other adjustments to the Purchase Price and all disbursements made at Closing on behalf of Purchaser and Sellers.

10.6. **Availability of Certain Materials After Closing.** Purchaser shall cause all of the materials described in Section 10.2(8) above to be reasonably available to Sellers upon prior notice at Purchaser's office, during normal business hours on Business Days, for a period of three (3) years after Closing.

11. Apportionments; Expenses.

11.1. **Apportionments Generally.** Except as otherwise specifically provided in this Agreement, all expenses, charges and other obligations relating to the operation of the Property (including, without limitation, real estate taxes and expenses, charges and other obligations under the Leases, the Assigned Contracts, and the Ground Leases, specifically excluding, however, the Mortgage Loan, the Debt Assumption Fee and the Ground Lease Charges) shall be pro rated between Purchaser and the Sellers on a per diem basis as of 11:59 P.M. on the Pro Ration Date. For purposes of the pro rations contained in this Section 11, Purchaser shall be deemed to be the owner of the Property for the entire Closing Date. Whether amounts are allocable for the above purposes for the period before or after Closing shall be determined in accordance with generally accepted accounting principles using the accrual method. In furtherance of the foregoing: (i) any bills, invoices or other payments that are apportionable hereunder and that are received by Sellers or Purchaser following Closing or otherwise become due following Closing, shall in the first instance be paid by Purchaser, and upon evidence of the payment thereof, the respective Seller shall promptly reimburse Purchaser its apportioned share thereof in accordance with the provisions of this Section 11, and (ii) any bills, invoices or other payments that relate to periods prior to Closing and are received by Sellers or Purchaser following Closing or otherwise become due following Closing, shall be sent to Sellers and shall be paid for promptly by the respective Seller when due.

11.2. **Taxes.** All ad valorem real estate taxes, charges and assessments shall be prorated and apportioned between the respective Sellers and Purchaser at Closing on a per diem basis as of 11:59 P.M. on the Pro Ration Date, apportioned on the basis of the fiscal year of the authority or other person levying the same. If any of the same have not been finally assessed, as of the Closing Date, for the current fiscal year of the taxing authority or other person assessing or charging the same, then the same shall be adjusted appropriately at Closing based upon the most recently issued bills or assessments therefor, and shall be readjusted immediately when and if final bills are issued. To the extent there are any interest or penalties associated with the payment of any taxes, such interest and penalties shall be allocated to the party who is responsible for the payment of the tax generating such interest or penalty.

11.3. **Utilities.** Charges for water, electricity, sewer rental, gas, telephone and all other utilities shall be pro rated on a per diem basis as of 11:59 P.M. on the Pro Ration Date, disregarding any discount or penalty and on the basis of the billing period of the authority, utility or other person

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levying or charging for the same. If the consumption of any of the foregoing is measured by meters, then if possible and as an attempt to effectively allocate and apportion charges for such service, the respective Sellers shall use commercially reasonable efforts to obtain a reading of each such meter on the Closing Date and determine the usage of such service as of 11:59 P.M. on the Pro Ration Date, and the respective Seller shall pay all charges thereunder through the date of the meter readings. If there is no such meter or if a reading is not taken as of the Pro Ration Date, or if the bills for any of the foregoing have not been issued prior to the date of the Closing, the charges therefor shall be adjusted at the Closing on the basis of charges for the prior period for which bills were issued and shall be further adjusted when the bills for the current period are issued. The respective Sellers and Purchaser shall cooperate to cause the transfer of the Property's utility accounts from each respective Seller to Purchaser, Purchaser's Greens I Entity or Purchaser's Designees, as applicable, including the return to the applicable Seller of any deposits to utility companies previously made by such Seller (all of which deposits shall remain the property of such applicable Seller).

11.4. **Rents.** All base rent, additional rent and other sums actually paid under the Leases (including, without limitation, amounts owed by Tenants at the Property as periodic estimates of the costs of utilities, insurance, maintenance, repairs and other operating expenses), shall be prorated and apportioned between the respective Sellers and Purchaser at Closing on a per diem basis as of 11:59 P.M. on the Pro Ration Date, provided that delinquent amounts shall not be considered in such calculation. After the Closing Date, payments of monthly base rent and other amounts due under the Leases received by Purchaser shall be applied, first, to current amounts due and owing, second, to past-due amounts owing and starting with the most recent delinquency, and third (if and to the extent not paid as a result of the foregoing), to past-due amounts unpaid for the period prior to the Closing Date, which amounts shall be payable to Sellers after deducting therefrom any of Purchaser's reasonable, out of pocket costs of collection, including, without limitation, reasonable attorneys' fees (provided that Purchaser shall use reasonable efforts to collect such amounts using its in-house legal and other personnel). Purchaser will have no obligation to incur any cost or expense or institute any litigation to collect delinquent rents, percentage rents, or other costs or charges owed to Sellers, and Sellers will not exercise any right to collect such amounts unless Purchaser fails to use reasonable efforts to do so. If Purchaser fails to use reasonable efforts to collect such delinquent amounts, Sellers shall have the right to pursue all rights and remedies against the Tenants to recover any such delinquencies, except that Sellers shall not be entitled to threaten to dispossess such Tenants but may otherwise institute suit against any Tenant under the Leases. The provisions of this Section 11.4 shall survive Closing.

(1) Purchaser shall receive a credit at Closing for all rents and other charges actually collected prior to Closing to the extent relating to any period after Closing.

(2) [INTENTIONALLY DELETED.]

(3) With respect to rents and other charges uncollected at Closing and owed by non-occupants of the Improvements at Closing for any period before Closing, Sellers shall retain all rights relating thereto (including the right to collect all such rents and charges), and Sellers shall receive no proration credits from Purchaser. All amounts collected by any Seller relating thereto shall be retained by Sellers, and all such amounts received by Purchaser with respect thereto shall be forthwith paid over to Sellers.

11.5. **Security Deposits.** Each respective Seller shall deliver to Purchaser, Purchaser's Greens I Entity or Purchaser's Designees, as applicable, at Closing, by adjustment entry on the Closing Statement delivered at Closing, the full amounts of all Security Deposits paid by the Tenants under the Leases and all advance rentals which may have been received from Tenants under the Leases, together with all accrued or required interest thereon which is or may become due to any Tenant under the provisions of any Lease or applicable law. In connection with the foregoing, each respective Seller shall

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provide Purchaser with a certified schedule of such Security Deposits and advance rentals, which schedule shall set forth the name of each Tenant and the amount of its respective Security Deposit and advance rentals, and any interest on any thereof. Notwithstanding the foregoing, any Security Deposit held in the form of a letter of credit shall be replaced and reissued to Purchaser, Purchaser's Greens I Entity or Purchaser's Designees, as applicable, and delivered at Closing (or as soon thereafter as is practicable) to Purchaser, Purchaser's Greens I Entity or Purchaser's Designees, as applicable, and there shall be no adjustment or credit on the Closing Statement in connection therewith.

11.6. **Expenses.** Each party shall be responsible for and shall pay all of its own expenses incurred in connection with this Agreement and the transactions contemplated hereby, including, without limiting the generality of the foregoing, (1) all costs and expenses stated herein to be borne or shared by such party and (2) all of such party's own accounting and legal fees. Each respective Seller, in addition to such Seller's other expenses, shall be responsible for and shall pay: (i) costs incurred to repay any Monetary Liens encumbering its component of the Property (except liens securing the Mortgage Loan and which are intended to be assumed by Purchaser as provided for elsewhere herein) and to cure all other Mandatory Cure Items affecting its component of the Property; (ii) one half of all State and local recordation, transfer taxes and any sales taxes or fees imposed upon or payable based on the purchase and sale of the Property, including, without limitation, any recording charges incident to the recording of the Special Warranty Deed and the Ground Lease Assignments (or a memoranda thereof); (iii) any and all charges associated with the Existing Loan Modification and Loan Assumption allocated to Sellers pursuant to Section 3.3; (iv) the Ground Lease Charges; and (v) the Debt Assumption Fee. Purchaser, in addition to Purchaser's other expenses, shall be responsible for and shall pay: (a) one half of all State and local recordation, transfer taxes and any sales taxes or fees imposed upon or payable based on the purchase and sale of the Property, including, without limitation, any recording charges incident to the recording of the Special Warranty Deed and the Ground Lease Assignments (or a memoranda thereof); (b) all title insurance premiums and costs for title searches, examinations, endorsements and services, including, without limitation, all survey costs and fees and all

closing escrow fees of the Title Insurer; (c) all costs and expenses associated or connected with the conduct of Purchaser's Inspections, including engineering, environmental reports and lease and expense audits, and the like; and (d) the charges for which Purchaser is responsible pursuant to Section 3.3.

11.7. **Leasing Costs.** At Closing, Purchaser shall receive a credit against the Purchase Price equal to all Tenant Inducement Costs and leasing commissions shown on the Updated Exhibits G and Schedule 5.19, and Purchaser shall be responsible to timely pay and perform all such Tenant Inducement Costs and to pay such leasing commissions (including those items noted on the Updated Exhibits G and Schedule 5.19 as Purchaser's obligations), and shall indemnify, defend and hold Sellers harmless for any failure of Purchaser to so pay and perform such Tenant Inducement Costs and to pay such leasing commissions. In addition, subject to the limitations and provisions of Section 16.5 below, Purchaser shall be responsible for, and, if applicable, shall reimburse Sellers for all Tenant Inducement Costs and leasing commissions not shown on Updated Exhibits G and Schedule 5.19 which become due and payable (whether before or after Closing) (a) as a result of any renewals or expansions of existing Leases approved by Purchaser in accordance with Section 16.5 hereof and entered into between the date hereof and the Closing Date, (b) under any new Leases approved by Purchaser in accordance with Section 16.5 hereof and entered into between the date hereof and the Closing Date, and (c) any and all renewals, extensions and/or expansions of any Leases after the Closing. The provisions of this Section 11.7 shall survive the Closing without expiration.

11.8. **Mortgage Loan.** Interest, costs, expenses and credits on and related to the Mortgage Loan will be adjusted and apportioned between Sellers (on behalf of TRC I) and Purchaser in accordance with the following: (1) prepaid or accrued interest will be apportioned as of the Pro Ration Date; (2) Sellers will be credited with the amounts (including accrued interest) of any escrow and other sums on deposit with Lender; (3) as set forth with more particularity in the provisions of Sections 3.3 above,

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Sellers and Purchaser shall be responsible for the costs and expenses allocated to them respectively in connection with the request for and granting of Lender Approval and Loan Assumption; and (4) Purchaser will bear the cost of its own production of information, review of documentation, counsel and other matters related to the Lender Approval and Loan Assumption.

11.9. **Claims.** At Closing, the respective Sellers will retain the benefit of, and will bear any costs and liabilities associated with, the Insured Claims and the Landlord Claims. The respective Sellers shall remain liable (without any right to contribution or payment from Purchaser) for all Insured Claims and Landlord Claims after Closing. Notwithstanding anything to the contrary, Purchaser agrees to reasonably cooperate with Sellers and Sellers' insurer(s), from time to time following Closing, at no out of cost to Purchaser, with respect to the defense of such Claims by Sellers.

11.10. **Survival; Reconciliation.** The obligations under this Section 11 shall survive Closing. To the extent that errors are discovered in, or additional information becomes available with respect to, the prorations and allocations made at Closing, Sellers and Purchaser agree to make such post-Closing adjustments as may be necessary to correct any inaccuracy; however, all prorations shall be final no later than ninety (90) days after Closing (except for prorations and allocations of (i) ad valorem taxes, which shall be finalized within thirty (30) days after receipt of the tax bill for the tax year in which the Closing occurs, (ii) tenant reimbursables, which shall be finalized within ninety (90) days after the reconciliations for calendar year 2002 have been completed (as described below), and (iii) prorations or allocations that are then currently in dispute, which shall be finalized when any such dispute is resolved).

11.11. **Bonds and Escrows.** At Closing, Purchaser shall reimburse Sellers for each of the escrows and deposits, and shall assume all of the bond obligations of each Seller, all as set forth on Schedule 5.11 attached hereto (collectively, the "Bonds and Escrows"). At Closing, each Seller shall assign to Purchaser all of such Seller's respective right, title and interest in and to the Bonds and Escrows.

11.12. **Brokerage Agreements.** Purchaser acknowledges that prior to the date of this Agreement, Sellers have delivered to Purchaser for its review a true and correct copy of each of the following documents: (i)(a) Property Leasing Agreement, dated as of October 16, 2000, by and among TRC II, TRC III and Jones Lang LaSalle Americas, Inc.; and (b) Property Leasing Agreement, dated as of October 25, 1999, by and among TRC II, TRC III and Cushman and Wakefield of Virginia, Inc. (together, the "TRC Leasing Agreements"); and (ii)(a) Brokerage and Commission Agreement, dated March 21, 2000, by and between TRC II and Grubb & Ellis of Metropolitan Washington, D.C. (with respect to The Boeing Corporation lease); (b) Brokerage and Commission Agreement, dated February 8, 2001, by and between TRC II and Grubb & Ellis of Metropolitan Washington, D.C. (with respect to The Boeing Service Company lease); (c) Brokerage and Commission Agreement, dated December 14, 2000, by and between TRC II and The Staubach Company-Northeast, Inc. (with respect to the Booz-Allen Hamilton, Inc. lease); (d) Brokerage and Commission Agreement, dated November 1, 2000, by and between TRC II and Millennium Realty Advisors, LLC (with respect to the Ball Aerospace Technologies Corporation lease); (e) Brokerage and Commission Agreement, dated November 1, 2000, by and between TRC II and Advantis GVA (with respect to the Tecolote Research, Inc. lease); and (f) Brokerage and Commission Agreement, dated May 21, 2002, by and between TRC II and Insignia/ESG, Inc (with respect to the Titan Corporation lease) collectively, the "Tenant Broker Leasing Agreements"). Sellers shall remain responsible for (and shall indemnify and hold Purchaser harmless against) any and all commissions due or to become due under either or both of the TRC Leasing Agreements. At the Closing, TRC II shall assign to Purchaser, and Purchaser shall assume (and shall indemnify and hold Sellers harmless against) any and all commissions to become due after the Closing under any of the Tenant Broker Leasing Agreements; provided, however, that (by virtue of the credit to be given to Purchaser pursuant to Section 11.7 of this Agreement) Sellers shall

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be responsible for the commission due to Insignia/ESG, Inc as a result of the initial term of the Titan Corporation lease.

12. **Damage or Destruction; Condemnation.**

12.1. **Damage or Destruction.** If at any time prior to the Closing Date all or any material portion of the Property is destroyed or damaged as a result of fire or any other casualty and the cost of restoring such damage exceeds or is reasonably anticipated to exceed \$2,000,000, or any Tenant under a Material Lease has the right to terminate its Lease as a result of such casualty and such Tenant has not waived such right in writing, or access to any Property is materially and adversely impaired, then, at the option of Purchaser, this Agreement shall terminate and shall be canceled with no further liability of any party to any other, except for any Surviving Obligations, and the Deposit shall be returned to Purchaser. Sellers shall give Purchaser prompt written notice of any casualty. The election to terminate provided for hereby must be exercised by Purchaser (or such right to terminate will be deemed to have been waived) by written notice to Sellers to that effect, which notice is received by Sellers on or before the seventh (7th) Business Day following Purchaser's receipt of written notice of a casualty permitting termination hereunder. If Purchaser elects not to terminate this Agreement or is deemed to have elected not to terminate this Agreement as provided above, this Agreement shall continue in full force and effect, provided the Closing occurs, Purchaser will be entitled to receive all insurance proceeds of any such casualty, and at Closing, the applicable Seller(s) will take all action necessary to assign its interest in any such proceeds to Purchaser, and the Purchase Price shall be reduced by the amount of any deductible under such policy of insurance.

12.2. **Condemnation.** Any Material Taking of all or any part of the Property between the date of this Agreement and the Closing Date will, at the election of Purchaser, cause a termination of this Agreement. The election to terminate provided for hereby must be exercised by Purchaser (or such right to terminate will be deemed to have been waived) by written notice to Sellers to that effect, which notice is received by Sellers on or before the seventh (7th) Business Day following Purchaser's receipt of written notice of the Material Taking, and in the event of any such termination, this Agreement shall terminate and shall be canceled with no further liability of any party to any other, except for any Surviving Obligations, and the Deposit shall be returned to Purchaser. If Purchaser elects not to terminate this Agreement or is deemed to have waived its right to terminate this Agreement as provided above, this Agreement shall continue in full force and effect, each Seller will be relieved of its duty to convey title to the portion so taken or condemned, and, provided the Closing occurs, Purchaser will be entitled to receive all proceeds of any such taking or condemnation, and in that event, at Closing, the

applicable Seller will take all action necessary to assign its interest in any such award to Purchaser. Each Seller shall give Purchaser prompt written notice of any taking that is threatened in writing.

12.3. **No Termination.** If there is partial or total damage or destruction or condemnation or taking, as above set forth, and if Purchaser elects not to terminate (or if Purchaser is deemed to have elected not to terminate) this Agreement as therein provided, then (1) this Agreement shall continue in full force and effect in accordance with its terms and Closing hereunder shall take place in accordance with such terms and without abatement to or other adjustment of the Purchase Price payable hereunder (except that the Purchase Price shall be reduced by the amount of any deductible under any applicable policy of insurance); (2) all insurance and all condemnation proceeds paid or payable to the applicable Seller(s) shall be paid over and assigned to Purchaser at Closing, and the applicable Seller(s) shall further execute all assignments and any other documents or other instruments as Purchaser may reasonably request or as may be necessary to transfer all interest in all such proceeds to Purchaser or to whomever Purchaser shall direct; and (3) Purchaser shall take title to and possession of the Property at Closing in its condition at that time.

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13. **Title; Failure of Title; Examination of Title.**

13.1. **Title.** The Property will be conveyed free and clear of all Liens, tenancies, leases, restrictions, encumbrances, charges, security interests, covenants and easements of every kind, except only Permitted Exceptions. Except for Permitted Exceptions, title to the Property will be good and marketable and such as will be insured by Title Insurer at the regular rates.

13.2. [INTENTIONALLY DELETED.]

13.3. **Examination of Title.** Purchaser shall obtain with respect to each Property a current commitment for title insurance (collectively, the "**Commitment**"), issued by the Title Insurer, agreeing to issue an ALTA-Form B (1992) owner's title insurance policy or equivalent form reasonably acceptable to Purchaser with respect to each Property, in the amount of the Purchase Price allocated to such Property, dated as of the Closing Date, indicating title to the Property is vested in Purchaser (or Purchaser's Greens I Entity or Purchaser's Designees, as applicable) subject only to Permitted Exceptions (collectively, the "**Title Policy**"). Purchaser shall also obtain, at its sole cost and expense, a new survey of each Property, or at Purchaser's election, Purchaser may obtain a recertification of the survey delivered to Purchaser by Sellers (in either case, collectively, the "**Survey**"). Purchaser will have until 5:00 P.M. (Eastern time) on the Termination Notice Date to examine title to the Property and notify Sellers in writing of any objections to title which may be revealed by Purchaser's examination, including any objections to any of the Permitted Exceptions listed on Exhibit E (called herein the "**Notice of Title Objections**"). Purchaser will deliver to Sellers, promptly after its receipt by Purchaser, a copy of the Commitment, together with copies of all title exceptions shown or disclosed thereon, and a copy of the Survey. The Notice of Title Objections, if and when delivered by Purchaser to Sellers, shall enumerate with specificity all title exceptions or objections which are unacceptable to Purchaser (and all such title exceptions and objections which are not so enumerated as unacceptable to Purchaser shall be deemed to be acceptable, shall supplement the items listed on Exhibit E, and shall become Permitted Exceptions for all purposes of this Agreement). In the event that Purchaser fails to give a Notice of Title Objections on or before the Termination Notice Date, then such failure to timely notify Sellers will constitute a waiver of such right to object to any title defects, and this Agreement will remain in full force and effect in accordance with its terms and the purchase and sale contemplated hereby will be closed as herein provided, with Exhibit E, as well as all exceptions shown on Purchaser's Commitment, being deemed acceptable to Purchaser.

13.4. **Cure of Title Objections.** If Purchaser has timely given a Notice of Title Objections as set forth above, Sellers will have the right, but not the obligation (unless otherwise expressly set forth below in this subsection), until on or before ten (10) calendar days after the date on which Purchaser delivered its Notice of Title Objections (the "**Title Objection Date**"), within which to cure any such objections. Notwithstanding anything set forth in this Agreement to the contrary, whether or not Purchaser objects to the same, the applicable Seller shall have an obligation (i) to pay (at or prior to Closing) any amount due in order to satisfy or remove from record title by bonding off or otherwise any Monetary Lien(s) voluntarily placed upon the Property by a Seller, and Sellers hereby irrevocably authorize Escrow Agent to deduct from the Purchase Price at Closing the amount necessary to pay off or discharge all such Monetary Liens, and (ii) other than for Permitted Exceptions, to cure and remove from record title (at or prior to Closing) all Liens and other title exceptions voluntarily created or filed against the Property by a Seller after the date of this Agreement and not consented to in writing by Purchaser (collectively, the "**Mandatory Cure Items**").

13.5. **Purchaser's Right To Terminate.** If any such objection to title of which Sellers have been so notified on a timely basis is not so cured within the ten-day period set forth in Section 13.4 above, then Purchaser may, by written notice to Sellers within five (5) days after the expiration of such ten-day period, terminate this Agreement, the Deposit shall be returned to Purchaser, and thereafter neither party hereto will have any further rights, obligations or liabilities hereunder, except for any Surviving Obligations. With respect to Section 13.4 above and to the foregoing provisions of this Section 13.5, Sellers will be deemed to have cured a title defect within the ten-day Seller cure period as aforesaid if the applicable Seller shall have timely notified Purchaser in writing that the title objection of which it has notice will be cured at or prior to Closing (and the actual cure thereof will be a condition precedent to Purchaser's obligation to consummate Closing). Nothing set forth in this Section shall be deemed to limit Purchaser's remedies provided for in Section 19.1 for Sellers' breach of any of their obligations hereunder, including, without limitation, Sellers' obligation to cure all Mandatory Cure Items as provided in Section 13.4.

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14. **Notices.** All notices, demands, requests or other communications required or permitted to be given hereunder must be in writing (unless another method of communication is specifically authorized hereunder) and sent (i) by United States certified mail, postage fully prepaid, return receipt requested, (ii) Federal Express or a similar nationally recognized overnight courier service, or (iii) by facsimile with both telephonic confirmation and a confirmation copy delivered by another method set forth in this Section. All such notices, demands, requests or other communications shall be deemed to have been given for all purposes of this Agreement upon the date of receipt or refusal, except that whenever under this Agreement a notice is either received on a day which is not a Business Day or is required to be delivered on or before a specific day which is not a Business Day, the day of receipt or required delivery shall automatically be extended to the next Business Day. The addresses for proper notice under this Agreement are as follows:

14.1. **If to Sellers:**

TRC Westfields I L.L.C.
TRC Westfields II L.L.C.
TRC Westfields III L.L.C.
c/o The Rubenstein Company, L.P.
4100 One Commerce Square
2005 Market Street
Philadelphia, Pennsylvania 19103-7041
Facsimile: (215) 563-4110
Attention: John M. Adderly, Jr.

With a required copy to:

The Rubenstein Company, L.P.
4100 One Commerce Square
2005 Market Street
Philadelphia, Pennsylvania 19103-7041
Facsimile: (215) 563-4110
Attention: R. Bruce Balderson, Jr.

14.2. **If to Purchaser:**

COPT Acquisitions, Inc.
C/o Corporate Office Properties Trust
8815 Centre Park Drive, Suite 400
Columbia, Maryland 21045
Facsimile: (410) 740-1174
Attention: John Harris Gurley, Esq.

With a required copy to:

Shaw Pittman LLP
2300 N Street, N.W.
Washington, D.C. 20036
Facsimile: (202) 663-8007
Attention: Wendelin A. White, Esq.

14.3. **If to Escrow Agent:**

Anchor Title Insurance Company
10715 Charter Drive, Suite 100
Columbia, Maryland 21044
Facsimile: (410) 730-7642
Attention: Charlotte Powell

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Either party may from time to time by written notice to the other party designate a different address for notices within the United States of America.

15. **Condition of the Property; No Other Conditions.** Purchaser acknowledges the following: (1) that it has (or prior to the Termination Notice Date, will have) independently investigated, analyzed and appraised the value and profitability of the Property and Purchaser's intended acquisition thereof and has (or will have) satisfied itself with respect to such matters; (2) that it has (or prior to the Termination Notice Date, will have) inspected the Property and has (or will have) satisfied itself with respect to the physical condition of the Property (including the condition of the Land, all Improvements and all Personalty, and the respective components of each of the foregoing, and including the Property's environmental and subsurface conditions); (3) that it has (or prior to Closing, will have had the opportunity to have) reviewed all documents referred to or contemplated herein or in the Exhibits hereto; (4) that it is (or prior to Closing will have had the opportunity to become) thoroughly acquainted with all of the above; and (5) that it agrees to accept the Property (including the Land, all Improvements and all Personalty, and the respective components of each of the foregoing) "AS IS" and in its and their present condition, subject to reasonable use, wear and tear and natural deterioration between the date hereof and the Closing Date. Purchaser's obligations under this Agreement shall not be subject to any contingencies, diligence or conditions except as expressly set forth in this Agreement. Purchaser acknowledges and agrees that, except as expressly set forth herein, neither any respective Seller nor any agent or representative of any such Seller has made, and Sellers are not liable for or bound in any manner by, any express or implied warranties, guarantees, promises, statements, inducements, representations or information pertaining to the Property or to any document referred to herein or in any Exhibit attached hereto (including, without limitation, any information contained in the informational brochure, package and related materials about the Property), or to any other matter or thing with respect to any of the foregoing, whether express or implied, or arising by operation of law; nor, except as expressly set forth herein, shall any adverse change in the Condition of the Property before the Closing Date give rise to any obligation on the part of Sellers or remedy on the part of Purchaser. Purchaser agrees that the Property will be sold and conveyed to (and accepted by) Purchaser at the Closing in the then existing Condition of the Property, AS IS, WHERE IS, WITH ALL FAULTS, AND WITHOUT ANY WRITTEN OR ORAL REPRESENTATIONS OR WARRANTIES WHATSOEVER, WHETHER EXPRESS OR IMPLIED OR ARISING BY OPERATION OF LAW, other than representations and warranties of Sellers expressly set forth in this Agreement. Without limiting the generality of the foregoing, except for the representations and warranties of Sellers contained in this Agreement, the transactions contemplated by this Agreement are without statutory, express or implied warranty, representation, agreement, statement or expression of opinion of or with respect to (A) the Condition of the Property or any aspect thereof, including, without limitation, any and all statutory, express or implied representations or warranties related to the suitability for habitation, merchantability, or fitness for a particular purpose, (B) the nature or quality of construction, structural design or engineering of the improvements included in the Property, (C) the quality of labor or materials included in the Improvements included in the Property, (D) the soil conditions, drainage, topographical features, flora, fauna, or other conditions of or which affect the Property, (E) any conditions at or which affect the Property with respect to a particular use, purpose, development, potential or otherwise, (F) areas, size, shape, configuration, location, access, capacity, quantity, quality, cash flow, expenses, value, condition, make, model, composition, accuracy, completeness, applicability, assignability, enforceability, exclusivity, usefulness, authenticity or amount, (G) any statutory, express or implied representations or warranties created by any affirmation of fact or promise, by any description of the Property or by operation of law, (H) any environmental, botanical, zoological, hydrological, geological, meteorological, structural, or other condition or hazard or the absence thereof heretofore, now or hereafter affecting in any manner the Property, and (I) all other statutory, express or implied representations or warranties by Sellers whatsoever. Purchaser acknowledges that Purchaser has knowledge and expertise in real estate, financial and business matters

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that enable Purchaser to evaluate the merits and risks of the transactions contemplated by this Agreement. Purchaser further agrees, as part of the consideration for the respective Sellers entering into this Agreement, that Purchaser will not, under any circumstances (other than a breach of any express representation or warranty of Sellers contained in this Agreement which survives the Closing), bring any claim, lawsuit or other proceeding against any Seller or any of any Seller's predecessors-in-title (or otherwise name any Seller or any of any Seller's predecessors-in-title in any claim, lawsuit or other proceeding) under or by virtue of any local, state or federal law, rule, ordinance, code or regulation relating to the condition of the Property (including environmental matters) or relating to the compliance of the Property under any such law, rule, ordinance, code or regulation, or under or by virtue of any common law right relating to any of the foregoing. For purposes of this Agreement, the term "**Condition of the Property**" means the following matters with respect to the Property:

(A) Physical Condition of the Property. The quality, nature and adequacy of the physical condition of the Property, including, without limitation, the quality of the

design, labor and materials used to construct the Improvements included in the Property; the condition of structural elements, foundations, roofs, glass, mechanical, plumbing, electrical, HVAC, sewage, and utility components and systems; the capacity or availability of sewer, water, or other utilities; the geology, flora, fauna, soils, subsurface conditions, ground water, landscaping, and irrigation of or with respect to the Property, the location of the Property in or near any special taxing district, flood hazard zone, wetlands area, protected habitat, geological fault or subsidence zone, hazardous waste disposal or clean-up site, or other special area, the existence, location, or condition of ingress, egress, access, and parking; the condition of the personal property and any fixtures; and the presence of any asbestos or other hazardous materials, dangerous, or toxic substance, material or waste in, on, under or about the Property and the improvements located thereon.

(B) Adequacy of the Property. The economic feasibility, cash flow and expenses of the Property, and habitability, merchantability, fitness, suitability and adequacy of the Property for any particular use or purpose.

(C) Legal Compliance of the Property. The compliance or non-compliance of a Seller or the operation of the Property or any part thereof in accordance with, and the contents of, (i) all codes, laws, ordinances, regulations, agreements, licenses, permits, approvals and applications of or with any governmental authorities asserting jurisdiction over the Property, including, without limitation, those relating to zoning, building, public works, parking, fire and police access, handicap or landscape access, life safety, subdivision and subdivision sales, and hazardous materials, dangerous, and toxic substances, materials, conditions or waste, including, without limitation, the presence of hazardous materials in, on, under or about the Property that would cause state or federal agencies to order a clean up of the Property under any applicable legal requirements and (ii) all agreements, covenants, conditions, restrictions (public or private), condominium plans, development agreements, site plans, building permits, building rules, and other instruments and documents governing or affecting the use, management, and operation of the Property.

(D) Insurance. The availability, cost, terms and coverage of liability, hazard, comprehensive and any other insurance of or with respect to the Property.

(E) Condition of Title. The condition of title to the Property, including, without limitation, vesting, legal description, matters affecting title, title defects, liens, encumbrances, boundaries, encroachments, mineral rights, options, easements, and access; violations of restrictive covenants, zoning ordinances, setback lines, or development agreements; the availability, cost, and coverage of title insurances; leases, rental agreements, occupancy agreements, rights of parties in possession of, using, or occupying the Property; and standby fees, taxes, bonds and assessments.

The provisions of this Section 15 shall survive termination of this Agreement or a Closing hereunder.

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16. Undertakings by Seller and Purchaser.

16.1. **Property Management and Operations.** Subject to the provisions of Section 12 above, between the date of execution of this Agreement and the Closing Date, each respective Seller shall continue to operate and manage its component of the Property in a normal businesslike manner, consistent with prior practices, making all necessary and ordinary maintenance repairs resulting from the breakdown or improper functioning of a particular item or system which is required to keep the Property in substantially the same condition as of the date hereof, including ordering and maintaining on hand sufficient materials, supplies, fuel and other personal property necessary for the efficient operation and management of the Property through the Closing Date; provided that no Seller shall be obligated to perform any capital improvements. Each respective Seller shall maintain its existing hazard and liability insurance on the Property until the Closing Date. After the date hereof, no Seller shall extend, modify, renew, cancel, alter or otherwise enter into any Contracts affecting the Property which are not terminable upon thirty (30) days notice (or less) without Purchaser's prior written consent, which consent shall not be unreasonably withheld. In addition, between the date of execution of this Agreement and the Closing Date, Sellers shall not execute any other documents, agreements or instruments affecting title to the Property, or (to the extent within Sellers' control) otherwise allow or permit the imposition of any Liens or other encumbrances which affect title to the Property, without the prior written approval of Purchaser, which approval may be withheld in Purchaser's sole discretion (understanding that no response from Purchaser is a denial of its consent to such Lien or other encumbrance). Any request for Purchaser's consent pursuant to this Section 16.1 shall be in writing.

16.2. **Contracts.** Before the expiration of the Termination Notice Date, Purchaser shall designate in writing to Sellers any Contracts Purchaser elects to assume. If no notice is sent, Purchaser shall be deemed to have elected to assume all of the Contracts. Prior to or at Closing, Sellers shall take such necessary steps to terminate such Contracts Purchaser does not elect to assume effective as of the Closing Date in accordance with their respective terms (with the understanding that to the extent that any such Contracts can not be terminated by Closing, Purchaser shall remain liable under such Contracts until the first date on which the termination may become effective). Sellers shall be responsible for, and shall pay as of Closing, any cancellation charges or fees for termination of Contracts which Purchaser does not elect to assume. Those Contracts which Purchaser elects to assume shall be assigned to Purchaser pursuant to the Blanket Conveyance, Bill of Sale and Assignment. Notwithstanding the foregoing, those Contracts which are not assignable shall not be assigned to Purchaser and shall remain the responsibility of the respective Sellers.

16.3. **Estoppel Certificates.** Sellers shall request in writing and deliver to Purchaser not later than three (3) Business Days prior to Closing, (A) from each Tenant at the Property, a "**Tenant Estoppel Certificate**" (herein so called) addressed to Purchaser substantially in the form attached hereto as Exhibit Q or such other form that is reasonably acceptable to Purchaser, (B) from the Association, a certificate executed by the Association stating whether the assessments and charges against the Property required to be paid under the Declaration have been paid, an "**Association Estoppel**" (herein so called), substantially in the form attached hereto as Exhibit R or such other form that is reasonably acceptable to Purchaser and the Association, and (C) from each Ground Lessor, an "**Ground Lessor Estoppel**" (herein so called; collectively "**Ground Lessor Estoppels**") substantially in the form attached hereto as Exhibit S or such other form that is reasonably acceptable to Purchaser and each Ground Lessor. Prior to delivering the Tenant Estoppel Certificate to any Tenant, the Association Estoppel to the Association, or the Ground Lessor Estoppel to any Ground Lessor, Sellers shall provide Purchaser three (3) Business Days to review the content of such Tenant Estoppel Certificates, Association Estoppel and Ground Lessor Estoppels and to respond to Sellers with noted discrepancies between (i) the Current Rent Rolls attached hereto as Exhibits C-1, C-2 and C-3 and the documents provided to Purchaser as a part of the Seller Property Materials pursuant to Section 8.4.1 and (ii) the Tenant Estoppel Certificates, the Association Estoppel and Ground Lessor Estoppels. Any

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comments Purchaser may have to any of the Tenant Estoppel Certificates, the Association Estoppel and/or Ground Lessor Estoppels shall be specific, shall be in writing and shall be delivered to Sellers (if at all) prior to the expiration of such three (3) Business Day period; any Tenant Estoppel Certificate, the Association Estoppel and/or any Ground Lessor Estoppel on which Purchaser shall fail to so deliver to Sellers written specific comments within such three (3) Business Day period shall be deemed to have been approved by Purchaser.

16.4. [INTENTIONALLY DELETED]

16.5. **Leases.** Between the date of execution of this Agreement and the Closing Date, Sellers shall not (and shall have no obligation to) enter into any new Leases, or extend or renew any existing Leases (other than pursuant to an option contained in a Lease that shall have been exercised by the Tenant), at the Property without the prior written consent of Purchaser (which shall not be unreasonably withheld). During the same period, Sellers (i) shall perform all obligations of landlord or lessor under the Leases, including any condition for a Tenant's or lessee's occupancy of the Property, and (ii) shall not (A) apply any Security Deposits to amounts due under the Leases (except as may be permitted by a Lease), (B) dispossess or threaten to dispossess any Tenant, or (C) institute suit against any Tenant. In addition, Sellers shall deliver to Purchaser copies of any notice of default delivered to or received from Tenants in connection with the Leases between the date of this Agreement and the Closing.

16.6. **Access.** Each Seller shall permit Purchaser and Purchaser's agents and other representatives to enter upon its component of the Property from time to time, during normal business hours, after reasonable prior oral notice to Sellers (i.e., not less than twenty-four (24) hours) and at Purchaser's own risk and expense, for the purpose of making such examinations, tests and inspections as are necessary or desirable, including the Inspections. In no event shall any such access interfere with the occupancy or rights of any Tenant (with respect to which Purchaser acknowledges that there may exist certain Tenant "restricted areas" to which Purchaser will not be permitted access) or cause any damage to the Property or any portion thereof. Purchaser, at its own cost and expense (1) shall repair any damage caused thereby and restore the Property to its condition prior to such access, (2) shall provide Sellers with evidence of insurance, with limits of coverage and from an insurer reasonably satisfactory to Sellers, naming Sellers as additional insureds for any loss, damage, claims or liability suffered by any Seller or by or to any portion of the Property resulting from any of the activities permitted in this Section 16.6 (such evidence of insurance to be provided to Sellers prior to the commencement of any such activities and to be maintained by Purchaser until Closing hereunder or earlier termination of this Agreement), and (3) shall indemnify, defend and hold harmless each Seller and each Seller's respective officers, employees, agents, representatives and affiliates, from any and all damages, losses, liabilities, claims, costs and expenses suffered or incurred by such Seller by reason of any of the activities permitted under this Section 16.6, including, without limitation, damage to property or injury to Persons caused by Purchaser or Purchaser's agents in exercising its rights under this Section 16.6. For access to the Property permitted hereby, Purchaser shall be permitted to notify John M. Adderly, Jr. (by telephone at 215-563-3558) of its desire to enter the Property. Purchaser's right of access as aforesaid shall be further subject to the following: (i) each such access shall be subject to the prior approval of Sellers (which approval shall not be unreasonably withheld) and at Sellers' election, Purchaser and any of Purchaser's representatives shall be accompanied by a representative of Seller; and (ii) all examinations, tests and inspections of the Property shall be conducted at such times and in such a manner as to minimize interference with, and to reasonably avoid disturbance to, the ongoing operation, management and leasing operations of the Property and the full use, benefit and enjoyment of the Property by any Tenant. The right of access granted in this Section 16.6 shall extend from the date hereof until Closing hereunder or earlier termination of this Agreement. Purchaser's restoration and indemnification obligations under this Section 16.6 shall survive any termination of this Agreement,

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and Purchaser's indemnification obligations under this Section 16.6 shall survive Closing and shall be considered "Surviving Obligations".

16.7. **Further Assurances.** In addition to the obligations required to be performed hereunder by Purchaser and the respective Sellers at Closing, Purchaser and Sellers agree to perform such other acts, and execute, acknowledge and deliver such other instruments, documents and other materials as Purchaser or a Seller may reasonably request of each other and a shall be necessary in order to effect consummation of the transactions contemplated by this Agreement.

16.8. **Good Faith Efforts.** Sellers and Purchaser shall use good faith efforts to consummate the Closing and fulfill each of the conditions thereto. Without limiting the generality of the foregoing and pursuant to the terms of this Agreement, Sellers and Purchaser shall each employ commercially reasonable efforts to cooperate with one another in order to secure (i) the Lender Approval; and (ii) the Ground Lessor Approvals.

16.9. **Existing Loan.** Between the date of execution of this Agreement and the Closing Date, TRC I shall make all payments of principal and interest required by the Existing Loan to be made prior to Closing and perform all of the obligations, terms and provisions thereof on the part of the TRC I to be performed. Further, TRC I shall use commercially reasonable efforts to ensure that Pinnacle performs and does not default in its obligations under the Existing Loan Documents (including, without limitation, ensuring that Pinnacle makes all payments of principal and interest required by the Existing Loan to be made by Pinnacle prior to the Existing Loan Modification).

16.10. **Ground Leases.** Between the date of execution of this Agreement and the Closing Date, TRC II and TRC III shall perform all of their respective obligations under the Ground Leases, including making any and all payments required thereunder.

17. Assignability.

17.1. Purchaser shall not assign or transfer any portion or all of its rights or obligations under this Agreement to any other individual, entity or other person without the express written consent thereto in writing by Sellers. Notwithstanding the foregoing, Purchaser shall have the right, without Sellers' prior written consent, to assign this Agreement or any of its rights hereunder to (i) COPT, (ii) COPLP or (iii) Affiliates of Purchaser, COPT or COPLP in which either COPT or COPLP shall have at least a ten percent (10%) equity ownership interest; *provided* in all cases that (a) Lender and each Ground Lessor approves such assignment, in writing, and (b) Sellers first receive written notice of the assignment(s) and that the assignee(s) thereunder have thereupon agreed to and assumed all of Purchaser's obligations under this Agreement.

17.2. Upon any assignment permitted as aforesaid or any other assignment expressly consented to in writing by Sellers, such assignees shall be deemed to be Purchaser hereunder with respect to the component of the Property to be acquired by each such assignee for all purposes hereof and shall have all the rights and obligations of Purchaser hereunder with respect to such component of the Property, *provided that*, and notwithstanding any such assignment, the presently identified and named Purchaser hereunder shall in any case remain fully and primarily responsible and obligated for all obligations, responsibilities and other undertakings of any such successor "**Purchaser**," under this Agreement.

18. **Brokers.** The parties acknowledge that Purchaser has engaged CB Richard Ellis ("**CB**") to assist Purchaser in connection with a purchase of the Property. Pursuant to a separate written agreement with CB, Sellers agree to pay the commission due to CB as a result of a sale of the Property to Purchaser. Each party represents and warrants to the other that, other than with respect to CB, it has not made any agreement or taken any action which may cause any person to become entitled to a commission or other compensation as a result of the transactions contemplated by this Agreement. Sellers and Purchaser shall each indemnify and defend the other from any and all Claims, actual or threatened, for any such fee, commission or other compensation by any third person other than CB

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with whom such party has had dealings in connection with the transactions contemplated by this Agreement. The provisions of this Section 18 shall survive the Closing and any termination of this Agreement.

19. Defaults Prior to Closing.

19.1. **Default by Seller.** Should Sellers violate or fail (in breach of its obligations hereunder) to fulfill or perform any of the terms, conditions or undertakings set forth in this Agreement applicable to them at or prior to Closing, then in such case Purchaser shall, as its sole remedy therefor, have the option of (1) specifically enforcing this Agreement, or (2) terminating this Agreement; and in the latter event, the Deposit shall be returned to Purchaser, Sellers shall reimburse Purchaser for Purchaser's documented, third-party, out of pocket due diligence expenses incurred in connection with the transactions contemplated by this Agreement (such expenses not to exceed \$75,000), and this Agreement shall terminate, and no party shall have any further liability or obligation hereunder to any other, except for the Surviving Obligations. Purchaser further agrees, as part of the consideration for Sellers entering into this Agreement, that Purchaser will not, under any circumstances except Sellers' willful refusal to convey the Real Estate at Closing, place or attempt to place a *lis pendens* on the Real Estate or any part thereof; and any violation of this covenant by Purchaser shall constitute a default hereunder. The provisions of this Section 19.1 shall survive termination of this Agreement.

19.2. **Default by Purchaser.** The parties agree that if Purchaser defaults in its obligation to purchase the Property, it would be extremely difficult to ascertain the extent of the actual damage to the Sellers resulting from such default. Thus the parties hereby agree that should Purchaser violate or fail (in breach of its obligations hereunder) to fulfill or perform any of the terms, conditions or undertakings set forth in this Agreement applicable to it at or prior to Closing, then in such case (1) Sellers shall, as their sole

remedy therefor, be paid and delivered the Deposit as liquidated damages (and not as a penalty) for such breach as full, complete and final damages in respect thereof, (2) all Seller Property Materials, if any, delivered by any Seller to Purchaser shall be returned to Sellers, and all Purchaser Property Materials in which Purchaser has a right and which Purchaser can reasonably obtain from the preparer thereof shall be delivered to Sellers (at no out of pocket cost to Purchaser) without any representation or warranty from Purchaser; provided, however, that Purchaser shall have no rights or obligations to obtain any third party consent or approvals for Sellers to rely on such Purchaser Property Materials, and (3) upon satisfaction by Purchaser of the delivery requirements in clause 19.2.(2) above, this Agreement shall terminate, and no party shall have any further liability or obligation hereunder to any other, except for the Surviving Obligations. The provisions of this Section 19.2 shall survive termination of this Agreement.

20. Section 1031 Exchange of Property. Purchaser acknowledges that one or more of the Sellers may enter into one or more separate exchange agreements with a qualified "Intermediary" in order to effect the transfer of its respective component of the Property and the acquisition by such Seller(s) of certain "Replacement Property" as a like-kind exchange in accordance with the provisions of Section 1031 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder. In furtherance of the foregoing: (1) each Seller shall have the right to assign all of its right, title and interest in and to this Agreement to the selected Intermediary (but such Seller will remain obligated for all of its agreements and other undertakings hereunder), and (2) at the request of one or more Sellers from time to time, Purchaser will reasonably cooperate with such Seller(s) and with the selected Intermediary in order to effect the intended like-kind exchange contemplated by the foregoing; provided that: (a) in no event whatsoever shall Purchaser incur any additional out of pocket expense or liability as a result of such like-kind exchange (Sellers being in all events responsible for all additional out of pocket costs and expenses related to the like-kind exchange), and Sellers shall fully indemnify Purchaser for all costs and expenses incurred by Purchaser in connection with effectuating such like-kind exchange (the costs and expenses so to be indemnified are not intended to extend to Purchaser's "overhead" expenses or routine and customary costs and expenses incurred by Purchaser in

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cooperating with Sellers to effectuate the same, nor are they intended to extend to Purchaser's incidental counsel fees incurred in connection with such cooperation), (b) Purchaser shall not (i) be obligated to take title to any other property (including any so-called "Replacement Property"), or (ii) be required to execute any note or other instrument providing for personal or other liability, or to assume any indebtedness encumbering any real property, (c) in no event shall the foregoing affect in any manner any Seller's or Purchaser's obligations or Purchaser's rights and benefits under this Agreement, (d) it is expressly understood that the consummation by a Seller or ability by a Seller to consummate a like-kind exchange as aforesaid is not a condition precedent to any Seller's obligation to consummate Closing under this Agreement, and (e) in no event whatsoever shall the Closing be delayed because of any delay in the closing of the like-kind exchange.

21. Miscellaneous.

21.1. Computation of Time. In computing any period of time pursuant to this Agreement, the date of the act, default or other event from which the designated period of time begins to run (for example, the "execution date of this Agreement") will not be included. The last day of the period so computed will be included unless it is not a Business Day, in which event the period runs until the end of the next following day which is a Business Day.

21.2. Time of the Essence. All times, wherever specified herein, are of the essence of this Agreement.

21.3. Knowledge of the Sellers. Whenever this Agreement refers to the "knowledge" or the "actual knowledge" of a Seller or Sellers, it shall mean and be limited to the actual knowledge, without the requirement of any inquiry or investigation, of David B. Rubenstein, John M. Adderly, Jr. and Marc Bing-Zaremba (the property manager for the Property).

21.4. Recording. This Agreement shall not be recorded or filed in the real estate records of Fairfax County, Virginia or any other office or place of public record, except as may be necessary in connection with an action by a party to enforce its rights hereunder. If Purchaser shall record this Agreement or cause or permit the same to be recorded in violation of the foregoing restriction, Sellers, at Sellers' option, may declare Purchaser in default hereunder and in addition to Sellers' other rights and remedies, shall have the right forthwith to institute appropriate legal proceedings to have the same removed of record at Purchaser's expense.

21.5. Governing Laws; Parties at Interest. This Agreement shall be governed by the laws of the Commonwealth of Virginia, and shall bind and inure to the benefit of the parties hereto and, subject to Section 17 hereof, their respective heirs, administrators, personal representatives, successors and assigns.

21.6. Headings. The headings preceding the text of the Sections and subsections hereof are inserted solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

21.7. Survival After Closing. Only the provisions of Sections 5 (Representations and Warranties of Sellers), 6 (Representations and Warranties of Purchaser), 10.4.1 (Purchaser's Indemnity), 10.4.2 (Seller's Indemnity), 10.6 (Availability of Certain Materials After Closing), 11 (Apportionments; Expenses), 15 (Condition of the Property; No Other Conditions), Purchaser's indemnification obligations under 16.6 (Access), 18 (Brokers), 21.3 (Knowledge of Sellers), 21.7 (Survival After Closing), 21.11 (Authorship), 21.12 (Dispute), 21.14 (No Personal Liability), and 21.15 (Joint and Several Liability) hereof shall survive Closing and such surviving Sections shall survive only for a period of six (6) months following Closing, unless a different time limitation is expressly set forth in such Section. Notwithstanding the foregoing, Purchaser's and Sellers' respective representations, indemnities, agreements and assumptions set forth in Sections 10.4.1 (except with respect to clause (ii) thereof), 10.4.2 (except with respect to clause (i) thereof), 10.6, 15, Purchaser's indemnification obligations under

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16.6, 18, 21.3, 21.7, 21.11, 21.12, 21.14 (No Personal Liability) and 21.15 (Joint and Several Liability) (together, the "Extended Survival Sections"), shall survive for the period of the applicable statute of limitations. If a party has not received written notice within such six-month period of a claim by the other party of breach or default under any of the aforementioned surviving Sections, specifying with particularity the nature and extent of the claimed breach, then all covenants, representations, agreements, conditions, obligations and undertakings contained in the surviving Sections, except as so specified and except as set forth in the Extended Survival Sections, shall be deemed to have been fully performed, waived or otherwise discharged. All of the other covenants, representations, agreements, conditions, obligations and undertakings hereunder shall not survive the Closing, but rather shall be deemed to have been fully performed, waived or otherwise discharged by the occurrence of Closing hereunder. In addition, Purchaser's restoration and indemnification obligations under 16.6, and the provisions of Sections 3.3.1, 4.2.2, 4.2.3, 4.2.4, 18, 19.1 (Default by Seller), 19.2 (Default by Purchaser), 21.11, 21.12, 21.14, 21.15 and 22 and the Surviving Obligations shall survive any termination or cancellation of this Agreement without the occurrence of a Closing.

21.8. Waiver. Failure of either Purchaser or any Seller to exercise any right given hereunder, or to insist upon strict compliance with regard to any term, condition or covenant specified herein, shall not constitute a waiver of Purchaser's or any Seller's right to exercise such right or to demand strict compliance with any other term, condition or covenant under this Agreement.

21.9. Exhibits. All Exhibits which are referred to herein and which are attached hereto or bound separately and initialed by the parties are expressly made and constitute a part of this Agreement.

21.10. Entire Agreement; Amendments. This Agreement and the Exhibits hereto set forth all of the promises, covenants, agreements, conditions and undertakings between the parties hereto with respect to the subject matter hereof, and supersede all prior and contemporaneous agreements and understandings, inducements or conditions,

express or implied, oral or written, except as contained herein and except for that certain Confidentiality Letter Agreement (the "**Confidentiality Agreement**") between TRCLP and Corporate Office Properties, and except for that certain Indemnity Agreement, dated May 28, 2002, between Sellers and Purchaser. This Agreement may not be changed orally but only by an agreement in writing, duly executed by or on behalf of the party against whom enforcement of any waiver, change, modification, consent or discharge is sought.

21.11. **Authorship.** Each of the parties has actively participated in the negotiation and drafting of this Agreement and the Closing Documents and each has received independent legal advice from attorneys of its choice with respect to the advisability of making and executing this Agreement and the Closing Documents. In the event of any dispute or controversy regarding this Agreement or any of the Closing Documents, the parties will be conclusively deemed to be the joint authors of this Agreement and the Closing Documents and no provision of this Agreement or the Closing Documents will be interpreted against a party by reason of authorship. The provisions of this Section 21.11 shall survive the Closing and any termination of this Agreement.

21.12. **Dispute.** In the event of any dispute between the parties hereto regarding any of the transactions contemplated by this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party all reasonable out-of-pocket costs and expenses incurred by the prevailing party in connection with such dispute, including, without limitation, attorneys' fees incurred in connection with such dispute.

21.13. **Counterparts.** This Agreement may be signed in counterparts and shall be fully enforceable when signed in such manner. This Agreement may be signed by facsimile signatures, which shall have the force of originals.

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21.14. **No Personal Liability.** No employee, officer, director, trustee, partner or affiliate of Sellers or Purchaser, or any investment manager or other agent of Sellers or Purchaser, shall be personally liable or responsible for any duties, obligations or liabilities of Sellers or Purchaser hereunder or in any other connection with the Property or this transaction.

21.15. **Joint and Several Liability.** Sellers shall be jointly and severally liable for the Sellers' obligations hereunder. Purchaser, Purchaser's Greens I Entity and Purchaser's Designees shall be jointly and severally liable for the Purchaser's obligations hereunder.

21.16. **Severability.** No determination by any court, governmental body or otherwise that any provision of this Agreement or any amendment hereof is invalid or unenforceable in any instance shall affect the validity or enforceability of any other such provision or such provision in any circumstance not controlled by such determination. Each such provision shall be valid and enforceable to the fullest extent allowed by, and shall be construed wherever possible as being consistent with, applicable law.

22. **Confidentiality.** Purchaser and Sellers agree to hold all information (the "**Confidential Information**") related to this transaction in strict confidence, and will not disclose same to any person other than directors, officers, employees and agents of each, as well as to consultants, banks, accountants, attorneys, or other third parties working with Sellers or Purchaser in connection with the transaction who need to know such information for the purpose of consummating this transaction. This prohibition will not be applicable to disclosure of information required by applicable law, rule or regulation and disclosures required in connection with the transactions contemplated by this Agreement, and will not survive the Closing. The provisions in this Section 22 are supplemental to (and do not diminish or supersede) the provisions set forth in the Confidentiality Agreement, which shall continue in full force and effect in accordance with its terms.

23. **Press Releases.** Except as provided in this Section 23, prior to Closing, any release to the public of information with respect to the matters set forth in this Agreement will be made only in the form approved by Purchaser and Sellers and their respective counsel. Purchaser is affiliated with a publicly-held corporation, the securities of which are traded on a national securities exchange. Sellers acknowledge that Purchaser and that affiliate may be compelled by considerations of legal obligation, fiduciary and public responsibility, commercial pragmatism and established corporate policy, to issue a public press release announcing that it has entered into this Agreement and stating the materials terms hereof. Sellers consent to the dissemination of any such press release and to all such additional statements and disclosures Purchaser must reasonably make (on advice of counsel) in responding to inquiries arising as a result of any such press release.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

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IN WITNESS WHEREOF, the parties have executed and delivered this Agreement of Purchase and Sale on the date and year first above written.

SELLERS:

WITNESS:

TRC WESTFIELDS I L.L.C.

By: /s/ DAVID B. RUBENSTEIN

David B. Rubenstein
President

WITNESS:

TRC WESTFIELDS II L.L.C.

By: /s/ DAVID B. RUBENSTEIN

David B. Rubenstein
President

WITNESS:

TRC WESTFIELDS III L.L.C.

By: /s/ DAVID B. RUBENSTEIN

David B. Rubenstein
President

PURCHASER:

WITNESS:

COPT ACQUISITIONS, INC.

/s/ STEPHANIE L. SHACK

By: /s/ RANDALL M. GRIFFIN

Name: Randall M. Griffin
Title: President & COO

JOINDER BY ESCROW AGENT

ANCHOR TITLE INSURANCE COMPANY, the Escrow Agent named in the foregoing Agreement of Purchase and Sale, hereby joins in such Agreement (1) to confirm its receipt of the Initial Deposit, and (2) to evidence its agreement to hold the Deposit and all Deposit, and otherwise to perform its obligations as Escrow Agent, all as provided for in Section 4.

ANCHOR TITLE INSURANCE COMPANY

Dated: July 24, 2002

By: /s/ M. CHARLOTTE POWELL

Name: M. Charlotte Powell
Title: President

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