

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 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): **June 2, 2003**

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

13200 Woodland Park Drive

On June 2, 2003, Corporate Office Properties Trust (the "Company"), through an affiliate of Corporate Office Properties, L.P. (the "Operating Partnership"), acquired a 404,665 square foot office building located in Herndon, Virginia ("13200 Woodland Park Drive").

13200 Woodland Park Drive was acquired for an aggregate cost to the Company of \$71.4 million, including transaction costs. The Company paid the purchase price and transaction costs using \$63.9 million in proceeds from the issuance of common shares of beneficial interest and \$7.5 million in cash escrowed from prior property sales.

The following table sets forth certain information relating to 13200 Woodland Park Drive as of June 30, 2003:

Property	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
13200 Woodland Park Drive	2002	404,665	100.0%	\$ 8,985,450	\$ 22.20	VeriSign (100.0%)(4)	2014(4)

(1) This percentage is based on all leases in effect as of June 30, 2003.

(2) Total rental revenue is the monthly contractual base rent as of June 30, 2003 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 June 30, 2003.

(4) The tenant has the right to terminate the lease with respect to a maximum of 232,268 rentable square feet at designated times from June 2005 through September 2006. We expect that the tenant will exercise these termination rights in full.

Dulles Tech/Ridgeview Properties

On July 25, 2003, the Company, through an affiliate of the Operating Partnership, acquired five office buildings in Northern Virginia totaling 433,814 square feet (the "Dulles Tech/Ridgeview Properties"). The Dulles Tech Ridgeview Properties were acquired for an aggregate cost of \$75.5 million, including transaction costs. The Company paid the purchase price and transaction costs using borrowings from both a new mortgage loan and the Operating Partnership's revolving credit facility with Bankers Trust Company.

Property	Year Built/ Renovated	Rentable Square Feet	Occupancy (1)	Total Rental Revenue (2)	Total Rental Revenue per Occupied Square Foot (2)(3)	Major Tenants (10% or more of Rentable Square Feet)
One Ridgeview at Westfields	1999	127,572	100.0 %	\$ 3,368,182	\$ 26.40	MBA Management, Inc. (11%); FedEx Express (11%); eMeritus Communications, Inc. (10%)
Two Ridgeview at Westfields	2000	69,710	100.0 %	1,633,188	23.43	Omniplex World Services Corporation (100%)
Three Ridgeview at Westfields	2000	69,711	100.0 %	1,802,728	25.86	RBR Network, Inc. (51%); Rolls Royce North America, Inc. (49%)
Dulles Tech I	1998	113,093	85.7 %	2,549,134	26.29	BAAN USA, Inc. (58%); National Student (10%)
Dulles Tech II	1998	53,728	100.0 %	1,441,522	26.83	Vista Information (100%)
Total/Average		433,814	96.3 %	\$ 10,794,754	\$ 25.74	

(1) This percentage is based on all leases in effect as of June 30, 2003.

(2) Total rental revenue is the monthly contractual base rent as of June 30, 2003 multiplied by 12 plus the estimated annualized expense reimbursements under existing leases.

(3) This represents the property's total rental revenue divided by that property's occupied square feet as of June 30, 2003.

The following table sets forth annual lease expirations for the Dulles Tech/Ridgeview Properties as of June 30, 2003 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) (in thousands)	Percentage of Total Office Rental Revenue Expiring (1)	Total Rental Revenue of Expiring Leases Per Occupied Square Foot (1)
7/1/03-12/31/03	1	4,037	1.0 %	\$ 91	0.8 %	\$ 22.50
2004	2	5,741	1.4 %	154	1.4 %	26.76
2005	4	23,430	5.6 %	625	5.8 %	26.67
2006	4	27,565	6.5 %	765	7.1 %	27.77
2007	8	62,592	15.0 %	1,638	15.2 %	26.16
2008	2	53,728	12.9 %	1,442	13.4 %	26.83
2009	6	83,388	20.0 %	2,177	20.2 %	26.11
2010	4	122,783	29.4 %	3,004	27.8 %	24.47
2011	—	—	0.0 %	—	0.0 %	—
2012	—	—	0.0 %	—	0.0 %	—
2013	1	34,414	8.2 %	899	8.3 %	26.13
Total/Weighted Avg.	32	417,678	100.0 %	\$ 10,795	100.0 %	\$ 25.89

(1) Total rental revenue is the monthly contractual base rent as of June 30, 2003 multiplied by 12 plus the estimated annualized expense reimbursements under existing leases.

Ratio of Earnings to Combined Fixed Charges and Preferred Share Dividends

The Registrant is filing as Exhibit 12 to this Form 8-K a schedule supporting the computation of its ratio of earnings to combined fixed charges and preferred share dividends.

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

(a) Financial Statements of Business Acquired

The financial statements of 13200 Woodland Park Drive and Dulles Tech/Ridgeview are included herein. See pages F-15 through F-24.

(b) Pro Forma Financial Information

The pro forma condensed consolidating financial statements of the Company are included herein. See pages F-1 through F-14.

(c) Exhibits

Exhibit Number	Description
12	Schedule supporting computation of the Registrant's ratio of earnings to combined fixed charges and preferred share dividends.
99.1	Agreement of Purchase and Sale and Joint Escrow Instructions, dated May 15, 2003, between TST Waterview I, LLC; VeriSign, Inc.; and Anchor Title Insurance Company.
99.2	Agreement to Assign/Assume Purchase and Sale Agreement, dated May 15, 2003, between COPT Acquisitions, Inc.; VeriSign, Inc.; and Anchor Title Insurance Company.
99.3.1	Purchase and Sale Agreement, dated April 14, 2003, between TCC Dulles Tech Associates, LLC; PGI Westfields Associates, LLC; and COPT Acquisitions, Inc.
99.3.2	Reinstatement of and First Amendment to Purchase and Sale Agreement, dated June 20, 2003, between TCC Dulles Tech Associates, LLC; PGI Westfields Associates, 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: August 1, 2003

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: Senior Vice President and Chief Financial Officer

**CORPORATE OFFICE PROPERTIES TRUST
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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 March 31, 2003 and the unaudited pro forma condensed consolidating statements of operations for the year ended December 31, 2002 and the three months ended March 31, 2003 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 March 31, 2003 for balance sheet purposes and January 1, 2002 for purposes of the statements of operations:

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 borrowings under the Company's revolving credit facility with Bankers Trust Company (the "Revolving Credit Facility").
- The acquisition on April 4, 2002 of four office buildings in Columbia, Maryland (the "Rivers 95 Properties") 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 under 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 under two mortgage loans.

2003 Completed Transactions

The transactions set forth below are collectively referred to herein as the "2003 Completed Transactions."

- The acquisition on January 24, 2003 of the first phase of a 108-acre land parcel acquisition in Annapolis Junction, Maryland ("Cedar Knolls Phase I") from an affiliate of Constellation

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Real Estate, Inc. The first phase was acquired for \$21,339,000, of which \$18,433,000 was financed by a seller-provided mortgage loan bearing interest at a per annum rate of 3%. Since management considered the interest rate on this loan to be below the market rate for similar loans, we discounted the recorded amounts for the acquisition and mortgage loan by \$1,516,000.

- The contribution on March 14, 2003 of an office building located in Fairfield, New Jersey ("695 Route 46") into a real estate joint venture in return for \$19,960,000 in cash and a 20% ownership interest in the joint venture. We used \$17,000,000 of the proceeds to pay down the Revolving Credit Facility.
- The issuance of 5,290,000 common shares of beneficial interest ("common shares") on May 27, 2003 for net proceeds of \$79,384,000 (the "Common Share Issuance"), of which \$63,890,000 was used to fund the acquisition of 13200 Woodland Park Drive discussed below and the balance used to pay down the Revolving Credit Facility.
- The acquisition on June 2, 2003 of an office building in Herndon, Virginia ("13200 Woodland Park Drive") for \$71,435,000 using \$63,890,000 of the proceeds from the Common Share Issuance and \$7,545,000 in cash escrowed from previous property sales.
- The repurchase of 1,016,662 Series C Preferred Units of our Operating Partnership (the "Series C Preferred Unit Repurchase") on June 16, 2003 for \$36,068,000 using \$40,000,000 in borrowings under a new mortgage loan. The Revolving Credit Facility was also paid down by \$3,411,000 using borrowings from this mortgage loan.
- The acquisition of five buildings in Northern Virginia (the "Dulles Tech/Ridgeview Properties") for \$75,487,000 on July 25, 2003 using \$45,000,000 in borrowings under a new mortgage loan carrying an interest rate of LIBOR plus 200 basis points and \$30,487,000 in borrowings under the Revolving Credit Facility.

2003 Probable Transactions

The transactions set forth below are collectively referred to herein as the "2003 Probable Transactions."

- The issuance of preferred shares of beneficial interest (the "Preferred Share Issuance"), expected to be completed in August 2003 for net proceeds of approximately \$48,430,000. The Company expects to use the proceeds to pay down the Revolving Credit Facility.
- The acquisition of the second phase of a 108-acre land parcel in Annapolis Junction, Maryland ("Cedar Knolls Phase II") from an affiliate of Constellation Real Estate, Inc. Management expects that this acquisition will be completed by September 2003 for an approximate purchase price of \$9,012,000. Under the terms of the agreement, the seller will provide financing for the acquisition at a per annum rate of 3%, which management considers to be a below-market rate; accordingly, the Company expects to discount the value of the acquisition and the financing to reflect the below-market interest rate. After adjustment for

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this discount, the Cedar Knolls Phase II acquisition would be valued at approximately \$8,468,000 for the purchase and \$6,666,000 for the seller-provided mortgage loan.

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, included in the Company's Current Reports filed on Forms 10-K and 10-Q for the year ended December 31, 2002 and the three months ended March 31, 2003, respectively;

- 7000 Columbia Gateway Drive, 11800 Tech Road and 15049 and 15059 Conference Center Drive, all of which are included in the Company's Current Report on Form 8-K filed December 16, 2002; and
- 13200 Woodland Park Drive and the Dulles Tech/Ridgeview Properties, both 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 2002 Transactions, 2003 Completed Transactions and 2003 Probable Transactions have been made. This pro forma condensed consolidating financial information is unaudited and is not necessarily indicative of what the Company's actual financial position would have been at March 31, 2003 or what the results of operations would have been for the year ended December 31, 2002 or the three months ended March 31, 2003. 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 March 31, 2003
(Unaudited)
(Dollars in thousands, except per share data)

	Historical Consolidated (A)	13200 Woodland Park Drive/ Common Share Issuance (B)	Series C Preferred Unit Repurchase and Concurrent Financing (C)	Dulles Tech/ Ridgeview Properties (D)	Preferred Share Issuance (E)	Cedar Knolls Phase II (F)	Other Pro Forma Adjustments	Pro Forma Consolidated
Assets								
Net investments in real estate	\$ 1,068,407	\$ 64,702	\$ —	\$ 66,505	—	\$ 8,468	\$ —	\$ 1,208,082
Cash and cash equivalents	6,282	—	—	—	—	(1,802)	—	4,480
Other assets	73,158	(812)	521	8,982	—	—	—	81,849
Total assets	\$ 1,147,847	\$ 63,890	\$ 521	\$ 75,487	\$ —	\$ 6,666	\$ —	\$ 1,294,411
Liabilities and shareholders' equity								
Liabilities								
Mortgage loans payable	\$ 707,990	\$ (15,494)	\$ 36,589	\$ 75,487	\$ (48,430)	\$ 6,666	\$ —	\$ 762,808
Other liabilities	49,124	—	—	—	—	—	—	49,124
Total liabilities	757,114	(15,494)	36,589	75,487	(48,430)	6,666	—	811,932
Minority interests	101,054	—	(24,367)	—	—	—	—	76,687
Shareholders' equity								
Preferred shares of beneficial interest	43	—	—	—	20	—	—	63
Common shares of beneficial interest	239	53	—	—	—	—	—	292
Additional paid-in capital	315,781	79,331	—	—	48,410	—	—	443,522
Other	(26,384)	—	(11,701)	—	—	—	—	(38,085)
Total shareholders' equity	289,679	79,384	(11,701)	—	48,430	—	—	405,792
Total liabilities and shareholders' equity	\$ 1,147,847	\$ 63,890	\$ 521	\$ 75,487	\$ —	\$ 6,666	\$ —	\$ 1,294,411

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, 2002
(Unaudited)
(Dollars in thousands, except per share data)

	Historical Consolidated (A)	2002 Transactions (B)	Cedar Knolls Phase I and II (C)	695 Route 46 (D)	Series C Preferred Unit Repurchase (E)	13200 Woodland Park Drive (F)	Preferred Share Issuance (G)	Dulles Tech/ Ridgeview Properties (H)	Other Pro Forma Adjustments	Pro Forma Consolidated
Revenues										
Rental revenue	\$ 134,421	\$ 5,956	\$ —	\$ (3,086)	\$ —	\$ 414	\$ —	\$ 10,814	\$ —	\$ 148,519
Tenant recoveries and other revenue	15,916	1,427	—	(251)	—	182	—	335	—	17,609
Service operation revenue	3,888	—	—	—	—	—	—	—	—	3,888
Total revenues	154,225	7,383	—	(3,337)	—	596	—	11,149	—	170,016
Expenses										
Property operating	43,929	1,916	—	(1,336)	—	282	—	3,091	—	47,882
General and administrative	6,697	—	—	—	—	—	—	—	—	6,697
Interest and amortization of deferred financing costs	41,568	—	—	—	—	—	—	—	4,108(I)	45,676
Depreciation and other amortization	30,859	—	—	—	—	—	—	—	3,769(J)	34,628
Service operation expenses	4,192	—	—	—	—	—	—	—	—	4,192
Total expenses	127,245	1,916	—	(1,336)	—	282	—	3,091	7,877	139,075
Gain (loss) on sale of real estate	2,564	(41)	—	—	—	—	—	—	—	2,523
Equity in (loss) income of unconsolidated entities	(402)	—	—	182	—	—	—	—	—	(220)
Income (loss) before minority interests and income taxes	29,142	5,426	—	(1,819)	—	314	—	8,058	(7,877)	33,244

Minority interests										
Preferred units	(2,287)	—	—	—	2,287	—	—	—	—	—
Other partnerships	59	—	—	—	—	—	—	—	—	59
Common units	(5,128)	—	—	—	—	—	—	—	165(K)	(4,963)
Income (loss) from continuing operations before income taxes										
	21,786	5,426	—	(1,819)	2,287	314	—	8,058	(7,712)	28,340
Income tax benefit, net										
	242	—	—	—	—	—	—	—	—	242
Net income (loss) from continuing operations										
	22,028	5,426	—	(1,819)	2,287	314	—	8,058	(7,712)	28,582
Preferred share dividends										
	(10,134)	—	—	—	—	—	(4,000)	—	—	(14,134)
Net income (loss) from continuing operations available to common shareholders										
	\$ 11,894	\$ 5,426	\$ —	\$ (1,819)	\$ 2,287	\$ 314	\$ (4,000)	\$ 8,058	\$ (7,712)	\$ 14,448
Earnings per share: Basic										
	\$ 0.53									\$ 0.52(E)
Earnings per share: Diluted										
	\$ 0.51									\$ 0.50(E)
Weighted average number of shares:										
Basic	22,472								5,290 (L)	27,762
Diluted	24,547								5,290 (L)	29,837

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 Three Months Ended March 31, 2003
(Unaudited)
(Dollars in thousands, except per share data)

	Historical Consolidated (A)	Cedar Knolls Phase I and II (C)	695 Route 46 (D)	Series C Preferred Unit Repurchase (E)	13200 Woodland Park Drive (F)	Preferred Share Issuance (G)	Dulles Tech/Ridgeview Properties (H)	Other Pro Forma Adjustments	Total
Revenues									
Rental revenue	\$ 35,989	\$ —	\$ (623)	\$ —	\$ 1,128	\$ —	\$ 2,414	\$ —	\$ 38,908
Tenant recoveries and other revenue	5,529	—	(71)	—	371	—	91	—	5,920
Service operation revenue	681	—	—	—	—	—	—	—	681
Total revenues	42,199	—	(694)	—	1,499	—	2,505	—	45,509
Expenses									
Property operating	13,654	—	(296)	—	643	—	842	—	14,843
General and administrative	1,948	—	—	—	—	—	—	—	1,948
Interest and amortization of deferred financing costs	10,724	—	—	—	—	—	—	427 (I)	11,151
Depreciation and other amortization	8,044	—	—	—	—	—	—	818 (J)	8,862
Service operation expense	762	—	—	—	—	—	—	—	762
Total expenses	35,132	—	(296)	—	643	—	842	1,245	37,566
Gain (loss) on sale of real estate	404	—	—	—	—	—	—	(23) (M)	381
Equity in (loss) income of unconsolidated entities	(153)	—	19	—	—	—	—	—	(134)
Income (loss) before minority interests and income taxes	7,318	—	(379)	—	856	—	1,663	(1,268)	8,190
Minority interests									
Preferred units	(572)	—	—	572	—	—	—	—	—
Other partnerships	—	—	—	—	—	—	—	—	—
Common units	(1,215)	—	—	—	—	—	—	73 (K)	(1,142)
Income (loss) from continuing operations before income taxes	5,531	—	(379)	572	856	—	1,663	(1,195)	7,048
Income tax benefit, net	21	—	—	—	—	—	—	—	21
Net income (loss) from continuing operations	5,552	—	(379)	572	856	—	1,663	(1,195)	7,069
Preferred share dividends	(2,533)	—	—	—	—	(1,000)	—	—	(3,533)
Net income (loss) from continuing operations available to common shareholders	\$ 3,019	\$ —	\$ (379)	\$ 572	\$ 856	\$ (1,000)	\$ 1,663	\$ (1,195)	\$ 3,536
Earnings per share: Basic									
	\$ 0.13								\$ 0.12(E)
Earnings per share: Diluted									
	\$ 0.12								\$ 0.12(E)
Weighted average number of shares:									
Basic	23,323							5,290(L)	28,613
Diluted	25,492							5,290(L)	30,782

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

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(Dollars in thousands, except share and per share amounts)

1. Basis of Presentation:

Corporate Office Properties Trust and subsidiaries (the "Company") is a fully-integrated and self-managed Maryland real estate investment trust. As of March 31, 2003, the Company's portfolio included 112 office properties, including three owned through joint ventures.

These pro forma condensed consolidating financial statements should be read in conjunction with the historical consolidated financial statements and notes thereto of the Company, 7000 Columbia Gateway Drive, 11800 Tech Road, 15049 and 15059 Conference Center Drive, 13200 Woodland Park Drive and the Dulles Tech/Ridgeview Properties. In management's opinion, all adjustments necessary to reflect the effects of the 2002 Transactions, 2003 Completed Transactions and 2003 Probable Transactions have been made. This pro forma condensed consolidating financial information is unaudited and is not necessarily indicative of what the Company's actual financial position would have been at March 31, 2003 or what the results of operations would have been for the year ended December 31, 2002 or the three months ended March 31, 2003, nor does it purport to represent the future financial position and results of operations of the Company.

The Company allocates the cost of property acquisitions to the components of those acquisitions based on their respective fair values.

The Company allocates value to in-place operating leases to the extent that the future cash flows under the contractual lease terms are above or below market at the time of acquisition (the "lease to market value"). If the rents are determined to be below market at the time of acquisition, the Company classifies the amount equal to the difference as deferred revenue. If the rents are determined to be above the market rent, the Company classifies the amount equal to the difference as a deferred asset. These deferred revenues and deferred assets are amortized into rental revenue over the lives of the leases.

Value is assigned to the deemed cost avoidance of acquiring in-place operating leases, representing tenant improvements and leasing costs. The Company assigns value to these costs associated with the remaining term of the leases. The tenant improvements and leasing costs are depreciated or amortized over the lives of the leases.

In recognition of certain informal positions taken by the Securities and Exchange Commission with respect to Statement of Financial Accounting Standards, No. 141, "Business Combinations," the Company also assigned value to other intangible assets for the 2003 Completed Transactions and 2003 Probable Transactions involving acquisition transactions subsequent to March 31, 2003. These other intangible assets are computed by valuing the property on an as if vacant basis and subtracting from the total acquisition cost the sum of the (1) as if vacant value, (2) lease to market value and (3) value assigned to tenant improvements and leasing costs described above. The other intangible assets are amortized over the estimated useful lives of such assets; the useful lives of these assets are shorter than the depreciation periods of the base buildings.

The Company's allocations of the property acquisitions included in these consolidated financial statements are set forth below:

Acquisition	Land	Building and improvements (1)	Deferred costs (2)	Deferred revenue (3)	Total
7320 Parkway Drive	\$ 999	\$ 4,071	\$ 27	\$ (140)	\$ 4,957
Rivers 95 Properties	2,233	9,282	176	(127)	11,564
7000 Columbia Gateway Drive	3,673	14,691	88	(2,256)	16,196
11800 Tech Road	5,192	22,211	560	(779)	27,184
15049 & 15059 Conference Center Drive	8,547	37,939	1,579	(649)	47,416
Cedar Knolls Phase I	19,823	—	—	—	19,823
Cedar Knolls Phase II	8,468	—	—	—	8,468
13200 Woodland Park Drive	11,269	53,433	6,733	—	71,435
Dulles Tech/Ridgeview Properties	11,411	55,094	8,982	—	75,487

- (1) Includes value of acquisition allocated to building and improvements and tenant improvements associated with in-place operating leases.
(2) Includes (i) value of in-place operating leases to the extent that the future cash flows under the contractual lease terms are above market at the time of the acquisition, (ii) value of leasing costs associated with in-place operating leases and (iii) value of other intangible assets associated with the acquisitions.
(3) Represents value of in-place operating leases to the extent that the future cash flows under the contractual lease terms are below market at the time of the acquisition.

2. Adjustments to Pro Forma Condensed Consolidating Balance Sheet:

- (A) Reflects the historical consolidated balance sheet of the Company as of March 31, 2003.

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- (B) Reflects the acquisition of 13200 Woodland Park Drive using \$63,890 in net proceeds from the Common Share Issuance and \$7,545 in cash escrowed from previous property sales.
(C) Reflects the Series C Preferred Unit Repurchase for \$36,068 and pay down of the Revolving Credit Facility by \$3,411 using net proceeds from borrowings of \$40,000 under a new mortgage loan.
(D) Reflects the acquisition of the Dulles Tech/Ridgeview Properties using borrowings under a new \$45,000 mortgage loan, and \$30,487 in borrowings under the Revolving Credit Facility.
(E) Reflects the probable Preferred Share Issuance, the proceeds of which are expected to be used to pay down the Revolving Credit Facility.
(F) Reflects the probable acquisition of Cedar Knolls Phase II from an affiliate of Constellation Real Estate, Inc. using \$6,666 in seller financing and \$1,802 in cash.

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

- (A) Reflects the historical consolidated operations of the Company for the period presented.
(B) The pro forma adjustments associated with the 2002 Transactions are set forth in the table below. The acquisitions set forth below include (1) historical operations as reported in the historical financial statements for such acquisitions and (2) amortization to rental revenue for the period presented of value associated with in-place operating leases to the extent that future cash flows under the contractual leases are above or below market at the time of the acquisitions.

	7320 Parkway Drive (i)	Rivers 95 Properties (ii)	7000 Columbia Gateway Drive (iii)	8815 Centre Park Drive (iv)	11800 Tech Road (v)	15049 and 15059 Conference Center Drive (vi)	Total
Revenues							
Rental revenue	\$ 159	\$ 328	\$ 813	\$ (650)	\$ 1,727	\$ 3,579	\$ 5,956
Tenant recoveries and other revenue	14	53	—	(3)	491	872	1,427
Total revenues	173	381	813	(653)	2,218	4,451	7,383
Expenses							
Property operating	24	74	—	(275)	524	1,569	1,916
Total expenses	24	74	—	(275)	524	1,569	1,916
Gain on sale of real estate	—	—	—	(41)	—	—	(41)
Income (loss) before minority interests and income taxes	\$ 149	\$ 307	\$ 813	\$ (419)	\$ 1,694	\$ 2,882	\$ 5,426

- (i) Reflects the effects of the historical operations of 7320 Parkway Drive prior to its acquisition on April 4, 2002 and the amortization of the lease to market value for such period.
- (ii) Reflects the effects of the historical operations of the Rivers 95 Properties prior to their acquisition on April 4, 2002 and the amortization of the lease to market value for such period.
- (iii) Reflects the effects of the historical operations of 7000 Columbia Gateway Drive prior to its acquisition on May 31, 2002 and the amortization of the lease to market value for such period.
- (iv) Reflects the elimination of the historical operations of 8815 Centre Park Drive prior to its disposition on July 17, 2002 and the gain recognized in 2002 in connection with the disposition.

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- (v) Reflects the effects of the historical operations of 11800 Tech Road prior to its acquisition on August 1, 2002 and the amortization of the lease to market value for such period.
- (vi) Reflects the effects of the historical operations of 15049 and 15059 Conference Center Drive prior to their acquisition on August 14, 2002 and the amortization of the lease to market value for such period.
- (C) Reflects the effects of the historical operations of Cedar Knolls Phase I prior to its acquisition on January 24, 2003 and Cedar Knolls Phase II for the period presented. These properties are land parcels with no historical operating activity.
- (D) Reflects the elimination of the historical operations of 695 Route 46 prior to its contribution into a real estate joint venture on March 14, 2003. Also reflects the Company's share of the joint venture's income for the period presented based on (i) the property's historical operations for the period presented, (ii) the property's depreciation expense as derived from the acquisition costs incurred by the joint venture and (iii) the interest expense of the joint venture as derived from the terms of the mortgage loan used to acquire the property from the Company.
- (E) Reflects the effects of the Series C Preferred Unit Repurchase for the period presented. Upon completion of the repurchase, the Company recognized a nonrecurring \$11,244 deemed distribution representing the amount paid in excess of the recorded book value of the units. This deemed distribution decreased the Company's net income available to common shareholders by \$11,244 and, in turn, also decreased the Company's earnings per share basic and earnings per share diluted. The pro forma condensed consolidating statements of operations, including the pro forma earnings per share basic and earnings per share diluted, do not reflect the effect of the deemed distribution.
- (F) 13200 Woodland Park Drive is a newly-constructed building. None of the building was operational until November 2002 and 47.2% of the building was operational from December 2002 through March 2003. The pro forma adjustments reflect the effects of the (1) historical operations of 13200 Woodland Park Drive for the portion of the building that was operational for the period presented and (2) amortization to rental revenue for the period presented of value associated with in-place operating leases to the extent that future cash flows under the contractual leases are above or below market at the time of the acquisitions.
- (G) Reflects dividends on the preferred shares expected to be issued in the Preferred Share Issuance, which we expect to have an aggregate liquidation preference of \$50,000 and to pay dividends at an estimated yearly rate of 8% of such liquidation preference.
- (H) Reflects the effects of (1) historical operations of the Dulles Tech/Ridgeview Properties for the period presented and (2) amortization to rental revenue for the period presented of value associated with in-place operating leases to the extent that future cash flows under the contractual leases are above or below market at the time of the acquisitions.
- (I) Pro forma adjustments for additional interest expense resulting from property acquisitions and the Series C Preferred Unit Repurchase are set forth below. Pro forma adjustments are also set forth below for decreases in historical interest expense resulting from property dispositions and other transactions reported herein involving debt repayment. 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.

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	For the Year Ended December 31, 2002	For the Three Month Period Ended March 31, 2003
Adjustment to interest expense, net of related historical amounts, as a result of:		
Borrowings under the Revolving Credit Facility of \$4,957 in connection with the acquisition of 7320 Parkway Drive.	46	—
Borrowings under the Revolving Credit Facility of \$10,214 in connection with the acquisition of the Rivers 95 Properties.	95	—

Borrowings under the Revolving Credit Facility of \$15,800 in connection with the acquisition of 7000 Columbia Gateway Drive.	238	—
Debt repaid in connection with the sale of 8815 Centre Park Drive consisting of \$3,500 under the Revolving Credit Facility.	(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.	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.	1,407	—
Borrowing from debt in connection with the acquisition of Cedar Knolls Phase I, consisting of \$16,917 in seller-provided financing bearing interest at an imputed rate of 6%, and Cedar Knolls Phase II, consisting of \$6,666 in seller-provided financing bearing an imputed rate of 6%. No pro forma adjustment for interest expense is reflected since these properties consist of land under development or land to be developed upon purchase.	—	—
Debt repaid in connection with the sale of 695 Route 46 consisting of \$17,000 under the Revolving Credit Facility.	(603)	(106)

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Debt repaid in connection with the Common Share Issuance consisting of \$15,494 under the Revolving Credit Facility.	(550)	(120)
Borrowing from debt in connection with the Series C Preferred Unit Repurchase consisting of a \$40,000 mortgage loan bearing interest at a rate of LIBOR plus 185 basis points; \$3,411 of the mortgage loan proceeds was also used to pay down the Revolving Credit Facility.	1,338	294
Borrowing from debt in connection with the acquisition of the Dulles Tech/Ridgeview Properties consisting of \$45,000 under a mortgage loan bearing interest at a rate of LIBOR plus 200 basis points; and \$30,487 in borrowings under the Revolving Credit Facility.	2,790	613
Debt repaid in connection with the probable Preferred Share Issuance consisting of \$48,430 under the Revolving Credit Facility.	(1,718)	(376)
Amortization of deferred financing costs related to:		
Borrowing for 15049 Conference Center Drive	\$ 2	\$ —
Borrowing for Series C Preferred Unit Repurchase and \$3,411 pay down of the Revolving Credit Facility.	347	87
Borrowing for the Dulles Tech/Ridgeview Properties	138	35
	<u>\$ 4,108</u>	<u>\$ 427</u>

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 \$90 for the year ended December 31, 2002 and \$11 for the three months ended March 31, 2003 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 primarily 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 interest expense would increase by an additional \$325 for the year ended December 31, 2002 and \$0 for the three months ended March 31, 2003. 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.

- (J) Pro forma depreciation expense adjustments are reflected on acquisitions based on (i) the portion of the acquisition costs attributable to the building depreciated over a useful life of 40 years and (ii) the value of tenant improvements associated with in-place operating leases depreciated over the remaining lives of the leases. Pro forma amortization expense adjustments are reflected on acquisitions based on the value of leasing costs associated with the remaining term of in-place operating leases amortized over the remaining lives of the leases. Pro forma amortization adjustments are reflected for acquisition transactions occurring subsequent to March 31, 2003 based on the value of other intangible assets amortized over the estimated useful lives of such assets. Pro forma depreciation and amortization expense adjustments on dispositions are reflected based on historical amounts.

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Adjustment to depreciation and other amortization expense, net of related historical amounts, as a result of:	For the Year Ended December 31, 2002	For the Three Month Period Ended March 31, 2003
Depreciation expense:		
7320 Parkway Drive	\$ 31	\$ —

Rivers 95 Properties	78	—
7000 Columbia Gateway Drive	153	—
8815 Centre Park Drive	—	—
11800 Tech Road	421	—
15049 and 15059 Conference Center Drive	803	—
Cedar Knolls Phase I and Phase II	—	—
695 Route 46	(691)	(178)
13200 Woodland Park Drive (pertains to 47.2% of the building for period it was operational)	89	268
Dulles Tech/Ridgeview Properties	2,627	660
Amortization of deferred lease costs related to:		
7320 Parkway Drive	2	—
Rivers 95 Properties	6	—
7000 Columbia Gateway Drive	10	—
11800 Tech Road	29	—
15049 and 15059 Conference Center Drive	58	—
695 Route 46	(145)	(40)
13200 Woodland Park Drive	7	20
Dulles Tech/Ridgeview Properties	184	46
Amortization of other intangible assets		
13200 Woodland Park Drive	6	17
Dulles Tech/Ridgeview Properties	101	25
	<u>\$ 3,769</u>	<u>\$ 818</u>

(K) Adjustment for minority interests' share of pro forma adjustments made to the Operating Partnership.

(L) Adjustment for the additional common shares outstanding in connection with the Common Share Issuance.

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(M) Adjustment for gain on sale of 8815 Centre Park Drive recognized in 2003.

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Report of Independent Auditors

To Corporate Office Properties Trust

We have audited the accompanying historical summary of revenue and certain expenses of 13200 Woodland Park Drive (the "Property") as described in Note 1 for the year ended December 31, 2002. This historical summary is the responsibility of the Property's 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 historical summary presentation. 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, 2002, in conformity with accounting principles generally accepted in the United States of America.

Baltimore, Maryland
July 10, 2003

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**13200 Woodland Park Drive
Historical Summary of Revenue and Certain Expenses
Year Ended December 31, 2002**

Revenue	
Base rents	\$ 433,678
Tenant reimbursements	171,632
Other income	10,766
Total revenue	<u>616,076</u>
Certain expenses	
Property operating expenses	
Property taxes	88,443
Utilities	37,203
Management fee	10,036
Other operating expenses	113,873
Total property operating expenses	<u>249,555</u>
Repairs and maintenance	32,375
Total certain expenses	<u>281,930</u>
Revenue in excess of certain expenses	<u>\$ 334,146</u>

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

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**13200 Woodland Park Drive
Historical Summary of Revenue and Certain Expenses
Three Months Ended March 31, 2003 (unaudited)**

Revenue	
Base rents	\$ 1,187,947
Tenant reimbursements	368,137
Other income	2,502
Total revenue	<u>1,558,586</u>
Certain expenses	
Property operating expenses	
Property taxes	227,734
Utilities	5,865
Management fee	43,206
Other operating expenses	312,064
Total property operating expenses	<u>588,869</u>
Repairs and maintenance	53,578
Total certain expenses	<u>642,447</u>
Revenue in excess of certain expenses	<u>\$ 916,139</u>

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

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**13200 Woodland Park Drive
Notes to Historical Summaries
December 31, 2002**

1. Business

The accompanying historical summary of revenue and certain expenses relates to the operations of 13200 Woodland Park Drive (the "Property"), consisting of the revenue and certain expenses of one office building totaling 404,665 rentable square feet located at Woodland Park Office Park, Herndon, Virginia, commonly known as 13200 Woodland Park Drive.

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. 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. Expenses are recognized in the period in which they are incurred.

Used 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 Tenant

During 2002, the Property's total base rent of \$433,678 was attributable to one tenant.

Operating expenses

The Property has recorded costs totaling \$42,286 in other operating expenses based on an allocation between the Property and other properties owned by the former owner. These expenses may not be recorded in such a manner going forward and are not necessarily indicative of expenses that the Property will incur in future operations.

3. Rentals

The Property entered into a noncancelable operating lease with Verisign Corporation ("Verisign") for the entire building and parking garage. The lease, which has an initial term of 11 years after the last Rent Commencement Date, as defined, provides for a fixed annual base rent of \$21.00 per rentable square foot, increasing at 3.5% per annum, and escalation rent based on the Property's real estate taxes and operating expenses. Verisign took occupancy of 105,902 and 85,260 rentable square feet of the Property on November 25, 2002 and December 1, 2002, respectively, at which time rent commenced. Per the terms of the lease, Verisign will take occupancy of the remaining 213,503 rentable square feet of the Property at the earlier of August 1, 2003 or the date that Verisign

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commences operations in the unoccupied space (see Note 6). Future minimum rentals as of December 31, 2002 to be received under this tenant lease are as follows:

Years Ending	
2003	\$ 5,882,553
2004	8,703,439
2005	8,925,569
2006	9,236,487
2007	9,558,870
Thereafter	71,795,054
Total	<u>\$ 114,101,972</u>

4. Management Fee Agreement and Tenant Service Contract

Certain management services for the year ended December 31, 2002 were performed by an affiliate of the Property at the rate of 3% of gross revenue generated by the operation of all phases of the Property.

5. Unaudited Interim Statement

The historical summary of revenue and certain expenses for the three months ended March 31, 2003 is unaudited. As a result, this interim historical summary should be read in conjunction with the historical summary and notes included in the December 31, 2002 historical summary of revenue and certain expenses. 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. Subsequent Event

Subsequent to March 31, 2003, in conjunction with the acquisition of the Property, the new Property owner and the existing tenant signed a new lease with terms providing for substantially different future minimum rents.

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Report of Independent Auditors

To Corporate Office Properties Trust

We have audited the accompanying historical summary of revenue and certain expenses of Dulles Tech / Ridgeview (the "Properties") as described in Note 1 for the year ended December 31, 2002. This historical summary is the responsibility of the Properties' 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, 2002, in conformity with accounting principles generally accepted in the United States of America.

Dulles Tech / Ridgeview
Historical Summary of Revenue and Certain Expenses
Year Ended December 31, 2002

Revenue	
Base rents	\$ 11,585,943
Tenant reimbursement	282,900
Lease termination fee	326,663
Miscellaneous income	52,232
Total revenue	<u>12,247,738</u>
Certain expenses	
Property operating expenses	
Property taxes and insurance	968,192
Utilities	561,090
Management fee	334,964
Other operating expenses	746,671
Total property operating expenses	<u>2,610,917</u>
Repairs and maintenance	479,725
Total certain expenses	<u>3,090,642</u>
Revenue in excess of certain expenses	<u>\$ 9,157,096</u>

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

Dulles Tech / Ridgeview
Historical Summary of Revenue and Certain Expenses
Three Months Ended March 31, 2003 (unaudited)

Revenue	
Base rents	\$ 2,612,159
Tenant reimbursement	85,046
Lease termination fee	76,483
Miscellaneous income	6,318
Total revenue	<u>2,780,006</u>
Certain expenses	
Property operating expenses	
Property taxes and insurance	254,402
Utilities	139,421
Management fee	82,718
Other operating expenses	174,539
Total property operating expenses	<u>651,080</u>
Repairs and maintenance	190,758
Total certain expenses	<u>841,838</u>
Revenue in excess of certain expenses	<u>\$ 1,938,168</u>

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

Dulles Tech / Ridgeview
Notes to Historical Summaries
December 31, 2002

1. Business

The accompanying historical summary of revenue and certain expenses relates to the operations of Dulles Tech - Ridgeview (the "Properties"), consisting of the revenue and certain expenses of five office buildings totaling 433,814 rentable square feet located in Herndon and 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 Properties. The historical summary is not representative of the actual operations of the Properties for the period presented nor indicative of future operations as certain expenses, primarily depreciation, amortization, and interest expense, which may not be comparable to the expenses expected to be incurred by Corporate Office Properties Trust in future operations of the Properties, have been excluded.

Revenue and Expense Recognition

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

Lease termination fees from early termination of lease agreements are recorded when earned.

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 2002, 43% of the Properties' base rents was earned from three major tenants, each of which amounted to over 10% of total base rents. Base rents earned from each of these three tenants for the year ended December 31, 2002 were approximately \$1,793,000, \$1,742,000 and \$1,484,000.

3. Rentals

The Properties have entered into non-cancelable tenant leases, with expiration dates ranging from 2004 to 2013. Such leases provide that tenants will share in operating expenses and real estate taxes on a pro rata basis, as defined in the leases. Future minimum rentals as of December 31, 2002 to be received under these tenant leases are as follows:

2003	\$	11,049,829
2004		10,976,421
2005		10,676,886
2006		9,767,545
2007		8,949,752
Thereafter		18,952,848
	\$	<u>70,373,281</u>

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4. Management Fee Agreement

Certain management services for the twelve months ending December 31, 2002 were performed by the owner of the Properties 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, 2002 the Properties paid \$334,964 in management fees.

5. Unaudited Interim Historical summary

The historical summary of revenue and certain expenses for the three months ended March 31, 2003 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, 2002. 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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CORPORATE OFFICE PROPERTIES TRUST

Ratio of earnings to combined fixed charges and preferred share dividends
(Dollars in thousands)

	Six months ended June 30, 2003	Years ended December 31,				
		2002	2001	2000	1999	1998
Income before minority interest, income taxes, discontinued operations, extraordinary item and cumulative effect of accounting change	15,375	29,454	27,485	22,229	20,616	8,896
Loss on early retirement of debt	—	(312)	(213)	(153)	(903)	—
Equity in loss (income) in unconsolidated entities	186	402	84	310	(198)	(139)
Distributed income of equity investees	—	295	104	—	—	—
Fixed charges (from below)	40,317	57,860	49,740	42,119	30,735	16,465
Capitalized interest (from below)	(1,306)	(3,091)	(5,295)	(3,889)	(1,510)	(77)
Preferred share dividends included in fixed charges	(5,067)	(10,134)	(6,857)	(3,802)	(2,854)	(327)
Preferred unit distributions included in fixed charges	(1,049)	(2,287)	(2,287)	(2,240)	(2,620)	(3,412)
Repurchase of preferred units in excess of recorded book value	(11,224)	—	—	—	—	—
Total earnings	37,232	72,187	62,761	54,574	43,266	21,406
Fixed charges and preferred dividends:						
Interest expense on continuing operations	20,172	39,067	32,289	29,786	21,190	11,994
Interest expense on discontinued operations	100	291	484	668	618	213
Capitalized interest	1,306	3,091	5,295	3,889	1,510	77
Amortization of debt issuance costs-expensed	1,184	2,189	1,818	1,382	975	423
Amortization of debt issuance costs-capitalized	—	59	119	199	35	—
Preferred share dividends	5,067	10,134	6,857	3,802	2,854	327
Preferred unit distributions	1,049	2,287	2,287	2,240	2,620	3,412
Interest included in rental expense	215	430	378	—	30	19
Loss on early retirement of debt	—	312	213	153	903	—
Repurchase of preferred units in excess of recorded book value	11,224	—	—	—	—	—
Total fixed charges and preferred dividends	40,317	57,860	49,740	42,119	30,735	16,465
Ratio of earnings to combined fixed charges and preferred dividends	N/A (1)	1.25	1.26	1.30	1.41	1.30

- (1) During the six months ended June 30, 2003, the Company's fixed charges and preferred share dividends included a nonrecurring deemed distribution of \$11,224 in connection with its repurchase of Series C Preferred Units in the Operating Partnership at an amount in excess of the recorded book value of the units. As a result, earnings were inadequate to cover fixed charges and preferred share dividends by approximately \$3,085 in the six months ended June 30, 2003.

**AGREEMENT OF PURCHASE AND SALE
AND JOINT ESCROW INSTRUCTIONS**

Seller:	TST WATERVIEW I, L.L.C., a Delaware limited liability company
Purchaser:	VERISIGN, INC., a Delaware corporation
Escrow Agent:	ANCHOR TITLE INSURANCE COMPANY, a Maryland corporation, as agent for Ticor Title Insurance Company
Property:	Waterview I at Woodland Park, Herndon, Virginia

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AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS

This AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS (this “**Agreement**”) is made and entered into as of May 15, 2003 (being the Effective Date, as such term is defined herein), by and among: TST WATERVIEW I, L.L.C., a Delaware limited liability company (“**Seller**”); VERISIGN, INC., a Delaware corporation, on behalf of its designees, successors and assigns (“**Purchaser**”); and ANCHOR TITLE INSURANCE COMPANY, a Maryland corporation, as agent for Tigor Title Insurance Company (“**Escrow Agent**”).

RECITALS

A. Pursuant to that certain Deed of Lease (the “**Lease**”), dated as of July 19, 2001, Seller, as landlord, leased to Purchaser, as tenant, certain real property, together with a thirteen (13) story office building constructed by Seller thereon, and other improvements, rights and benefits associated therewith (including, without limitation, the Parking Garage constructed by Seller immediately adjacent thereto) located in Herndon, Fairfax County, Virginia, and commonly known as Waterview I at Woodland Park. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Lease.

B. Pursuant to Section 32.1 of the Lease, Seller granted to Purchaser an option (the “**Primary Purchase Option**”) to purchase the Property (as defined in Section 1 below), subject to the terms and conditions set forth therein. Purchaser has elected to exercise its Primary Purchase Option. Accordingly, Purchaser and Seller are entering into this Agreement.

C. Final Completion (including punch list items) by Seller of the Base Building Work (sometimes also referred to herein as “**Landlord’s Work**”) pursuant to the terms of the Lease and the Design and Construction Agreement attached as Exhibit “C” thereto (the “**Work Agreement**”) has occurred.

D. As part of the conveyance hereunder, Seller will assign and transfer to Purchaser all of Seller’s rights under all contracts between Seller (or Seller’s Affiliates, as defined below) and third parties relating to the design and construction (to the extent assignable) of the Building and Landlord’s Work (to the extent related to the Building, the Land or the Parking Garage, including, without limitation, all warranties and guaranties for such construction and any Building equipment installed as a part thereof (all such agreements, but excluding any agreements of Seller relating solely to the design and/or construction of the Required Improvements (as defined in the Lease), if any, the “**Construction and Design Agreements**”). Such assignment shall be evidenced by the execution and delivery of the Assignment (as hereinafter defined).

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Purchase and Sale of Property.

Upon the terms and conditions hereinafter set forth, Seller agrees to sell and convey to Purchaser, and Purchaser agrees to purchase from Seller, the following (collectively, the “**Property**”): (a)(i) that certain parcel of real property designated as Fairfax County Tax Map Parcel 16-3(11) 29C1 (“**Parcel 29C1**”), as more particularly described in Exhibit A attached hereto (the “**Land**”) and any and all improvements thereon, whether now existing or hereinafter constructed, and appurtenances thereto, known as Waterview I, and containing approximately 501,884 square feet of ground area, approximately 11.52167 acres of land, 420,725 FAR square feet of density, and approximately 404,665 net square feet of rentable area in a thirteen (13) story office building (the “**Building**”), (ii) a six (6) story parking garage (the “**Parking Garage**”) containing approximately 1575 parking spaces therein and located adjacent to the Building on the Land, (iii) all mineral, oil and gas rights, water rights, sewer rights and other utility rights allocated to the Land, (iv) all appurtenances, easements, licenses, privileges and other property interests belonging or appurtenant to the Land, including, without limitation, all of Seller’s rights pursuant to the Association Declaration (as defined in the Lease), as may be amended from time to time as may be provided for therein, (v) all right, title and interest of Seller in and to any roads, streets and ways, public and private, serving the Land (including, without limitation, all rights to develop the Land granted by governmental entities having jurisdiction over said Land from time to time) (collectively, the “**Real Property**”); together with (b) all Leases, if any, for any portion of the Real Property; together with (c) all existing or hereafter acquired furniture, furnishings, fixtures equipment, inventory and other tangible personal property owned by Seller and located at or used in connection with the Real Property, and all replacements, substitutions, additions, accessions, parts, repairs and modifications thereto, and all products and proceeds thereof (collectively, the “**Tangible Personal Property**”); together with (d) all intangible property owned by Seller or affecting or relating to the Real Property or Tangible Personal Property (including, without limitation, all refundable tenant security and other deposits, if any, and interest thereon), all licenses, permits, accounts, authorizations, approvals, certificates of occupancy and other consents and approvals necessary for the current use and operation of the Property, and all right, title and interest of Seller in all transferable warranties (including, without limitation, all warranties and guaranties related to the construction of improvements on the Property), telephone exchange numbers, trade names (except that the right to use the trade name “Waterview at Woodland Park” shall be non-exclusive with that of Seller), plans and specifications and development rights related to any of the foregoing) (collectively, the “**Intangible Personal Property**”) (it being understood, however, that to the extent any such Intangible Personal Property is indivisible between Waterview I and Waterview II/III (e.g., a permit that is applicable to both), the Property so conveyed to Purchaser under this Agreement shall contain such item of Intangible Personal Property as properly and lawfully divided by Seller and equitably apportioned with respect to the applicable parcels until conveyed to Purchaser, if at all. The rentable square footage of the Building (the “**Rentable Area**”) is calculated in accordance with the BOMA Standard (as defined in the Lease), and is hereby stipulated to by Purchaser and Seller (unless another measurement is agreed to pursuant to the Lease prior to the Closing Date). Notwithstanding anything to the contrary herein, Seller shall not convey to Purchaser, and Purchaser does not hereby assume, any obligations of Seller with respect to the Required Improvements, except with respect to any ongoing obligations required

of users with respect to transportation management strategies, as provided for in the Proffers and Development Conditions (the “**Transportation Strategies**”).

2. Purchase Price; Deposit

2.1. The purchase price to be paid by Purchaser to Seller for the Property shall be \$84,279,650.00 (the “**Purchase Price**”), subject to prorations, closing cost allocations and other adjustments set forth herein. The Purchase Price shall be reduced by an amount equal to any credits, allowances, brokerage commissions or other amounts owed by Seller, as landlord, to Purchaser, as tenant, or any other party under or by virtue of the Lease, as set forth and described on Schedule 2.1 hereto.

2.2. There shall be no earnest money deposit required from Purchaser in connection with this Agreement.

2.3. At Closing, Purchaser shall pay, through the closing escrow established with Escrow Agent, the Purchase Price, as adjusted to reflect the closing adjustments and prorations provided for in this Agreement, which adjusted balance shall be payable by certified or cashier’s check or by bank wire transfer. Escrow Agent shall disburse all of the adjusted Purchase Price to Seller upon Closing.

3. Documents to be Provided or Made Available by Seller.

3.1. Within two (2) days after the Effective Date (as defined in Section 15.10 below), Seller shall make available to Purchaser and its designees for inspection and copying at Seller’s offices in the metropolitan Washington, D.C. area, true, complete and accurate copies of all of the items set forth in Section 3.2 which affect or relate to in any way the Property or any part thereof or interest therein (“**Seller’s Deliveries**”), to the extent same are (a) not already in Purchaser’s possession, custody or control and (b) in Seller’s or Seller’s Affiliates’, or their agents’, possession, custody or control. The date upon which all of Seller’s Deliveries are made available to Purchaser, upon being confirmed in writing by Purchaser and Seller acting reasonably and in good faith, is hereinafter referred to as the “**Document Delivery Date**.” Upon Purchaser’s specific written request, Seller agrees to deliver true, complete and accurate copies of certain of the items referenced below (provided that Seller may, if a request is made for a category of items rather than for specific items, respond by making the category of items available for Purchaser to review at Seller’s local office).

3.2. Items to be made available or delivered to Purchaser as required by this Section 3 include true, complete and correct copies of the following:

(a) If applicable, any leases, subleases, or sub-subleases (including all addenda, amendments, side letters and modifications thereto) then executed and/or applicable to any portion of the Property (the “**Leases**”), all lease commitments and letters of intent, and all other information relative to tenancies not under lease to the extent then applicable.

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(b) (i) The Construction and Design Agreements, including “as built drawings” in CAD format (to the extent available), and (ii) the “**Other Agreements**” (which shall mean and refer to any and all insurance policies (together with certificates of insurance and paid receipts therefor), licenses, easements, parking covenants, common area maintenance agreements, reciprocal operating agreements, and/or other similar agreements, options, contracts or agreements affecting or relating to the Property excluding the Construction and Design Agreements and the Existing Service Contracts (as defined below)).

(c) The four (4) most recent real estate and, if applicable, personal property tax bills relating to the Property, together with copies of all tax assessment notices for the three (3) years immediately preceding the Effective Date (or less, if Seller has owned the Property for less).

(d) All utility bills payable with respect to the Property during the two (2) years immediately prior to the Effective Date, if any.

(e) A current inventory of all Tangible Personal Property, if any.

(f) All brokerage, management, leasing, consulting, service, supply and maintenance contracts and agreements (including, without limitation, any warranties or service contracts relating to termite damage or infestation), and all amendments, modifications and side letters thereto, to which Seller is a party other than the Pre-Approved Title Matters (as defined below), the Construction and Design Agreements and the Other Agreements (the “**Existing Service Contracts**”).

(g) A current schedule of employees of Seller or Seller’s Affiliates and Seller’s property manager, if any, at the level of property manager and below whose function relates to the operation or maintenance of the Property, if any, listing each employee by name, function and current salary.

(h) Plans, specifications, soil reports, drawings, surveys, title insurance policies and reports (and exceptions to title), environmental reports and audits, and engineering, inspection and structural reports that were prepared by or for Seller (or a Seller Affiliate) and are in Seller’s possession or control.

(i) All current licenses, permits, zoning variances, special permits, special exceptions or similar zoning approvals (and all pending applications therefor, if any), certificates of occupancy, authorizations, consents, easements and other approvals or instruments required in connection with the construction, use, occupancy or operation of the Property (including any appurtenant parking uses) (the “**Permits**”), and all current applications or requests submitted in connection therewith, projected budgets (if any) and a list of anticipated capital expenditures for the next five (5) years (if any) and a current budget. In addition, Seller shall make all books and records pertaining to the Property available for review and/or audit by Purchaser and its agents and consultants (but not Seller’s internal proprietary documents or information).

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(j) All documents filed or prepared with respect to any pending or threatened suit action, arbitration, or legal, administrative or other proceeding relating to or involving the Property.

(k) Such other documents and materials as are reasonably requested by Purchaser, including, without limitation, any documents or other materials reasonably requested by Purchaser with respect to construction of improvements on the Property.

3.3. The term “**Seller Affiliate**” shall mean any person or entity controlled by, controlling or under common control with Seller. Encompassed within this definition is any entity the general partner, manager or party holding operational control of which is Tishman Speyer Properties or any entity affiliated with Tishman Speyer Properties (as presently constituted) or a successor entity thereto in which Tishman Speyer Properties owns (either individually or collectively) any interest, and any such entity which is formed by (and in which any ownership interest is held by) any of the foregoing. Without limitation, the term “**Seller Affiliate**” shall be deemed to include (i) TST Woodland, L.L.C., a Delaware limited liability company (the “**Declarant**”), (ii) Tishman Speyer Properties, L.P., a Delaware limited partnership, (iii) Tishman Speyer Crown Equities, a Delaware general partnership, (iv) Tishman Speyer Associates Limited Partnership, a New York limited partnership, (v) TST Waterview Parcels II & III, L.L.C., a Delaware limited liability company, and (vi) Tishman Speyer/Traveler’s Real Estate Venture, L.P., a Delaware limited partnership (the “**Fund**”).

3.4. Seller acknowledges that Purchaser is contemplating entering into a certain Agreement to Assign/Assume Purchase and Sale Agreement with COPT Acquisitions, Inc. regarding a proposed assignment of this Agreement to a COPT Entity (as hereinafter defined). Accordingly, Seller agrees to cooperate with Purchaser and any COPT Entity in connection with requests for documents and due diligence materials requested by such COPT Entity pursuant to this Section 3.

4. Review Period.

4.1. Purchaser shall have the right, at its sole option, to undertake, at Purchaser's cost and expense, a review and examination of all aspects of the Property and the transaction contemplated by this Agreement, including without limitation: (a) the physical condition and state of repair of the Property, including without limitation performing or reviewing surveys, environmental studies, soil and core borings and studies and zoning studies (provided that any invasive testing shall be subject to Seller's consent, not to be unreasonably withheld, conditioned or delayed beyond two (2) days); (b) the existence, now or at any time in the past, of any Hazardous Materials (as defined below) at or in the Property, and the extent of compliance of the Property with all applicable Environmental Laws (as defined below); (c) the historical and projected operating results achieved and likely to be achieved for the Property, including without limitation economic feasibility and operational studies; (d) the terms and conditions of all leases, contracts, agreements, warranties, and other materials relating to the Property; (e) the economic aspects of the transaction; and (f) such other matters and due diligence as Purchaser deems appropriate, including items relating to the construction of

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improvements on the Property. Purchaser and its agents and consultants shall have the right to enter upon the Property to conduct such review, inspections and tests as and when it deems reasonably appropriate (including taking soil samples and examining the site (and when provided that any invasive testing shall be subject to Seller's consent, not to be unreasonably withheld, conditioned or delayed beyond two (2) days)). Purchaser shall repair any damage that it may cause by such tests or examination, and all such entries within areas of the Building or Real Property that are under construction (if any) shall be subject to any provisions in the Lease or Work Agreement requiring notice of entry and relating to Landlord Delay and Tenant Delay), as if Purchaser were Tenant and Seller were Landlord thereunder. Purchaser's obligation to repair such damage shall survive any termination of this Agreement. Purchaser shall indemnify, defend and hold Seller harmless from and against any and all costs (including reasonable attorneys' fees and costs), damages and liabilities, causes of action, and threats thereof, incurred by Seller as the result of damage to property or injury to persons caused by Purchaser or its agents or contractors in carrying out its tests or studies. Upon prior written notice to Seller, Purchaser also shall have the right to communicate with any tenants under any of the Leases ("**Tenants**"), if any, and (with respect to any matters that might affect the use or operation of the Property) governmental officials having jurisdiction over the Property, and with all architects and contractors relating to the Property, and Seller shall have the right to attend or monitor such communication. Soil, rock, water, asbestos and other samples taken from the Property shall remain the property of Seller. At Seller's request, Purchaser will cooperate with Seller with respect to Seller's decisions regarding the lawful disposal of any contaminated samples, and Purchaser further agrees to reimburse Seller for (or pay on Seller's behalf) reasonable costs associated with the lawful disposal of such samples. At the request of Seller upon Purchaser's termination of this Agreement in accordance with Section 4.2, and at no cost (other than *de minimis*) to Purchaser, Purchaser shall provide Seller with copies of all of Purchaser's third-party reports and documents to the extent same are not confidential or proprietary. Solely for the purpose of this Section 4.1, the term "Purchaser" shall include any Permitted Assignee pursuant to Section 15.1 of this Agreement. If any Permitted Assignee assumes the obligations of Purchaser under this Agreement, then such Permitted Assignee shall be entitled to the benefit of all of Seller's representations, warranties, and obligations (and survival periods thereof) all as set forth in this Agreement as if such Permitted Assignee was a party to (i.e., the Purchaser under) this Agreement; provided, however, the provisions of Sections 10.4 and 10.7 are personal to VeriSign, Inc., in its individual capacity, and, notwithstanding any assignment of this Agreement to a Permitted Assignee (including, without limitation, a COPT Entity), such sections shall continue for the sole benefit of VeriSign, Inc. The parties hereto acknowledge that the terms and conditions of Section 11 of this Agreement are intended solely for the purpose of facilitating a synthetic lease transaction and that, except to the extent terms are defined in Section 11 and used elsewhere in this Agreement, the provisions of Section 11 shall not be applicable to any Permitted Assignee (including, without limitation, a COPT Entity).

4.2. Purchaser, in its sole and absolute discretion, shall have the right to terminate this Agreement at any time and for any reason or no reason on or before 5:00 p.m. Eastern Standard Time on that date which is thirty (30) days after the Document Delivery Date (the "**Review Period Expiration Date**"). If Purchaser so elects to terminate this Agreement, then Purchaser shall give written notice of such election to Seller. Upon the giving of such

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termination notice, this Agreement shall terminate and all rights, obligations and liabilities of the parties hereunder shall be released and discharged (except for those obligations of either party which are specifically stated in this Agreement to survive any such termination). Termination of this Agreement by Purchaser pursuant to this Section 4.2 shall not constitute a default by Purchaser, and Seller shall not be entitled to any claim of default or reimbursement provided for in Section 13 hereof. As long as Purchaser is electing to terminate as a result of a Seller Default (as defined in Section 13.1), Purchaser shall be entitled to make a claim of default or reimbursement provided for in Section 13 hereof. If Purchaser fails to give such termination notice timely, then Purchaser shall be deemed to have elected to proceed to Closing, subject only to the conditions specified in Section 8.1 hereof.

4.3. Purchaser acknowledges that the obligations of the Landlord and Tenant concerning insurance under the Lease shall apply to all pre-Closing access to the Property under this Section 4 as if such obligations were fully set forth in this Agreement and made applicable hereunder and such insurance shall extend to such circumstances, acts and the entire Property (and not just the leased premises). Seller acknowledges that, as of the date hereof, Purchaser is, to Seller's knowledge, in compliance with all of its obligations concerning insurance under the Lease.

5. Title.

5.1. Title to the Property shall be good and marketable of record and in fact and shall be indefeasibly conveyed in fee simple, by Special Warranty Deed in the form of Exhibit I attached hereto and made a part hereof (the "**Deed**"). Title to the Property shall be conveyed free and clear of any and all liens, mortgages, security interests, leases, restrictions, easements, options, claims, unrecorded agreements to which Purchaser is not a party, judgments, encroachments, rights of way or other encumbrances of any kind, except for the following (the "**Permitted Exceptions**"): (i) the Lease (which shall terminate at Closing or which may be assigned by Seller at Closing if Purchaser assigns its right, title and interest under this Agreement to a Permitted Assignee); (ii) those matters approved or deemed approved or waived by Purchaser pursuant to Section 5.2; (iii) all matters of record as of the Effective Date of the Lease, as set forth in the applicable Leasehold Pro Forma Title Policy therefor distributed to Purchaser, as Tenant, in connection therewith (the "**Pre-Approved Title Matters**"); (iv) a lien for real estate taxes not yet due and payable as of the Closing Date (as defined below); and (v) those easements and other title matters entered into after the Effective Date of the Lease which are approved (or deemed approved) by Purchaser pursuant to Section 7.4 below (including, without limitation, that certain Reciprocal Easement Agreement to be agreed upon prior to the Review Period Expiration Date, between Seller and TST Waterview Parcels II & III, L.L.C.).

5.2. Purchaser, at its own expense, shall within five (5) days after the Effective Date order a title commitment for the Property and survey of the Property. Not later than the eleventh (11th) business day after the receipt of such commitment (and all exceptions listed therein) and survey (which, if necessary, shall extend the Review Period so that Purchaser shall have at least eleven (11) business days after such receipt to respond, it being agreed that if the Review Period shall be so extended, Purchaser's right to terminate beyond the initial Review

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Period shall be limited solely to title and survey matters), Purchaser shall notify Seller in writing of any matters listed in the title commitment or depicted (or not depicted) on the survey of which Purchaser in good faith disapproves, other than the Pre-Approved Title Matters (the "**Objections**"). If Purchaser fails to provide such notice prior to the expiration of the Review Period (as may be so extended as aforesaid), the same shall constitute Purchaser's acceptance of title to the Property as of such expiration, and a waiver of any obligations Purchaser may have with respect thereto, other than those liens and similar matters set forth in clauses (i) though (v) of the last sentence of this

subsection. If Purchaser so notifies Seller of any Objections, then Seller shall notify Purchaser, within eleven (11) business days (which, if necessary, shall extend the Review Period so that Purchaser shall have at least eleven (11) business days after such receipt to respond, it being agreed that if the Review Period shall be so extended, Purchaser's right to terminate beyond the initial Review Period shall be limited solely to title and survey matters), whether or not Seller elects to cure the Objections (or any portion thereof). If Seller has elected to cure all (and not a portion) of the Objections, then (a) Seller shall eliminate or cure such Objections within a reasonable period of time (not to exceed ten (10) days after Seller's election) and shall notify Purchaser thereof, or (b) Seller shall, within such ten (10) day period, make arrangements, satisfactory to Purchaser, to have such Objections eliminated or cured at or prior to the Closing and shall notify Purchaser thereof. Purchaser acknowledges (A) that the Title Company unconditionally "insuring over" a particular Objection at no cost to Purchaser, and (B) that Seller agreeing irrevocably in writing to apply a portion of the Purchase Price at Closing to eliminate an Objection (so long as such portion is available after all other deductions therefrom are taken), shall each be an acceptable "cure" for purposes of this subsection. If Seller is unable or unwilling within the applicable period to eliminate or cure all such Objections, or to make arrangements to Purchaser's satisfaction to have same eliminated or cured at or prior to Closing, or has elected to cure a portion and not all of the Objections, and provided that Purchaser shall not thereafter waive in writing such Objections, then Purchaser shall have the right, at its sole option, to terminate this Agreement at any time by giving written notice of such election to Seller. Upon the giving of such notice, this Agreement shall terminate, all rights, obligations and liabilities of the parties hereunder shall be released and discharged (except as specifically stated in this Agreement to the contrary), and the Lease shall continue in full force and effect (subject, if applicable, to any damages provisions set forth in this Agreement if any such matter objected to by Purchaser was created due to a Seller Default, and the same was not cured by Seller pursuant hereto). Without limiting the generality of the foregoing, Seller shall have the absolute obligation, whether or not Purchaser objects or Seller elects to cure, to cure or remove the following matters at or before the Closing: (i) all mortgages or deeds of trust in any way affecting the Property; (ii) all past due ad valorem taxes and assessments of any kind constituting a lien against the Property; (iii) all mechanic's, materialmen's and similar liens (except those caused by Purchaser); (iv) all judgments encumbering the Property (except those caused by Purchaser); and (v) any other matter other, than a Pre-Approved Title Matter, which can be cured by the payment of money not to exceed an amount equal to the Purchase Price. Seller authorizes Escrow Agent to use Purchaser's funds payable at Closing for the satisfaction and discharge of any and all such matters specified in clauses (i) – (v) above.

5.3. If a search of the title to the Property by Escrow Agent reveals matters other than Permitted Exceptions (the "New Matters"), Escrow Agent agrees to confer with

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Commercial Settlements, Inc., as agent for Commonwealth Land Title Insurance Company, in a good faith attempt to reconcile any differences between the New Matters and the Permitted Exceptions.

6. Seller's Representations and Warranties.

Seller hereby makes the following representations and warranties to Purchaser, all of which are true in all material respects as of the Effective Date and which shall, as a condition precedent to Closing hereunder, be true in all material respects as of the Closing Date:

6.1.

(a) Seller is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Delaware and authorized to transact business in the Commonwealth of Virginia, and has full right, power and authority to execute, deliver and perform its obligations under this Agreement. The execution of this Agreement, the delivery of the Deed and Seller's performance of this Agreement and the transactions contemplated hereby have been duly authorized by the requisite action on the part of the Seller and Seller's members. All persons or entities with the right or obligation to consent to the conveyance contemplated by this Agreement or to Seller's entry into this Agreement, have consented to Seller's entry into, and performance of, this Agreement.

(b) The Fund is a limited partnership, duly organized, validly existing and in good standing under the laws of the State of Delaware and authorized to transact business in the Commonwealth of Virginia, and has full right, power and authority to execute, deliver and perform its obligations under this Agreement and the Guaranty (as defined below). The execution of this Agreement, the delivery of the Guaranty and the Fund's performance of the transactions contemplated thereby have been duly authorized by the requisite action on the part of the Fund and Fund's partners. All persons or entities having an interest in the Fund with the right to consent to the Guaranty have consented.

6.2. The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, and the performance of the terms hereof by Seller will not result in a breach of any of the terms or provisions of, or constitute a default under, any agreement, indenture, organizational document or other instrument to which Seller is a party or by which it, any of its assets or the Property is bound, nor, to Seller's knowledge, any judgment, decree, order, or award of any court, governmental body or arbitrator, or of any law, rule, or regulation applicable to Seller or the Property, in each instance in a manner which would or might impair Seller's ability to convey the Property or otherwise perform its obligations under this Agreement. To Seller's knowledge, Seller has obtained all consents, approvals, and authorizations from any governmental or quasi-governmental authority required with respect to the performance of Seller's obligation to convey the Property to Purchaser pursuant to this Agreement.

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6.3. Except as set forth in Exhibit D, there are no actions or suits in law or equity or proceedings by any governmental agency (including, but not limited to, condemnation actions) now pending, or, to the knowledge of Seller, threatened against Seller (or any Seller Affiliate) which relate to the Property, an interest therein, any Lease, and/or Seller's ability to perform its obligations hereunder or the Fund's obligations under the Guaranty. Any claims, actions, suits or proceedings which are covered by insurance are so designated on Exhibit D. Exhibit D also lists all actions, suits or proceedings relating to the Property to which Seller or any Seller Affiliate is a party.

6.4. Except as set forth in Exhibit G, neither Seller nor any Seller Affiliate has received written notice from any governmental body, authority or agency of any violation of federal, state or local laws, ordinances, codes, rules or regulations affecting the Property, including any notice with respect to any Hazardous Materials, which notice has not been fully addressed or is still outstanding. Except as may be set forth in the environmental reports and studies set forth on Schedule 6.4, to Seller's knowledge the Property is not now and has never been used for industrial purposes or for the storage, treatment or disposal of Hazardous Materials, nor, to Seller's knowledge, has the Property ever been listed by any federal, state or county agency or governmental official as containing any Hazardous Material. For the purposes of this Agreement, (i) "Hazardous Materials" shall mean (A) asbestos in any form, (B) urea formaldehyde foam insulation, (C) polychlorinated biphenyls, or (D) except as permitted under Section 5.3 of the Lease, any flammable explosives, radioactive materials or other substance constituting "hazardous materials" or "hazardous wastes" pursuant to, or which are regulated pursuant to, any Environmental Laws, and (ii) "Environmental Laws" shall mean (A) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601 et seq.), (B) the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801 et seq.), (C) the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901 et seq.) and the regulations adopted and promulgated pursuant thereto, (D) the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), (E) the Clean Air Act (42 U.S.C. Section 7401 et seq.), and the regulations adopted and promulgated pursuant thereto, (F) any other Federal, state or local environmental law, ordinance, rule, regulation and/or other statute or order of a governmental authority relating to pollution or protection of the environment, and (G) any Federal, state or local law, ordinance, rule, regulation and/or other statute or order of a governmental authority relating to the protection, use or development for commercial purposes of any "wetlands". Notwithstanding the foregoing, the term "Hazardous Materials" shall exclude building materials and supplies that are customarily used in the construction or normal operation of office buildings, to the extent the same are used, stored and cleaned up in compliance with all applicable Laws.

6.5. Seller is not a "foreign person" as contemplated in Section 1445 of the Internal Revenue Code, as amended.

6.6. Seller (i) has not made any general assignment for the benefit of creditors, (ii) has not filed nor acquiesced in any petition in any court (whether or not pursuant to any statute of the United States or of any State) for any bankruptcy, reorganization, composition, extension, arrangement or insolvency proceedings relating to Seller, (iii) has not made any

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application in any such proceedings for, nor acquiesced in, the appointment of a trustee, receiver or similar officer for it or all or any portion of its property, or (iv) is not a “debtor” in any voluntary or involuntary bankruptcy proceeding, or subject to any continuing jurisdiction from a prior such proceeding. No bankruptcy, insolvency, rearrangement or similar action involving the Property, Seller, or any of Seller’s Affiliates involved with the Property, whether voluntary or involuntary, is pending or threatened, and Seller has no present intention of filing any such action or proceeding.

6.7. Other than the Lease, and except for the other Leases described in Exhibit E, if any (“**Other Leases**”), there are no Leases in effect with respect to the Property. The Other Leases described in Exhibit E are in full force and effect, Seller is not in default thereunder, and Seller has no knowledge of any factual or threatened default by any Tenant. Every such Other Lease on Exhibit E provides that such Other Lease shall on the Closing Date automatically become a sublease under the Synthetic Lease (as defined below) and that the parties thereunder will execute any reasonable document effectuating such change in status. Except as set forth in the Lease, no person or entity has any right or option to purchase or otherwise acquire the Property or any portion thereof. No agreement with Seller exists which would restrict the right of Purchaser to collect the full rentals as set forth in any Leases subsequent to the Closing Date (except such agreements made pursuant to financings secured by the Property and/or the Lease, if any, which will not affect the Property after the Closing, subject to Purchaser’s right to apply closing funds pursuant to Section 5.2). None of the Other Leases (or rents payable thereunder) has been assigned, pledged or encumbered in any manner.

6.8. All sums which are currently due and payable to third parties for fees, labor, materials and other expenses of construction and design work relating to the Property have been paid by Seller. Seller has delivered General Contractor’s Final Waiver and Release of Lien evidencing that Seller has paid for the Landlord’s Work in full. Seller has caused the completion of Landlord’s Work in accordance with, in all material respects, all applicable zoning, land use, environmental, wetlands, building code, fire code, landlord and tenant, and other applicable laws, ordinances, regulations or requirements of any federal, state, county or municipal authority or insurance carrier (“**Laws**”).

6.9. To Seller’s knowledge: (i) the Property is zoned PDC; (ii) there are no proceedings pending or threatened to modify or downzone the existing zoning classification as to any portion of the Property; and (iii) Seller has complied with all necessary proffers, development conditions and wetlands and FAA approvals for construction on the Property. The Property consists of one single legally divided tax lot. There exists parking for all existing and proposed improvements at the Property within the Parking Garage in compliance with all Laws and the Leases, if any.

6.10. Except for this Agreement, the Leases, the Construction and Design Agreements, the Other Agreements, and the Existing Service Contracts, Seller has not entered into any unrecorded contract or other agreement to encumber, lease or otherwise affect the Property or any part thereof which would be binding upon Purchaser after Closing hereunder.

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Other than this Agreement, Seller has not entered into any unrecorded contract or other agreement to sell the Property or any part thereof.

6.11. No collective bargaining agreements between Seller and any labor organization apply to Seller’s operation or management of the Property which will be applicable to the Property on or after the Closing Date.

6.12. To Seller’s knowledge, no special assessments of any kind have been levied or are pending against all or part of the Property. Seller has no knowledge of any intended or threatened assessments.

6.13. Exhibit F contains a full and complete listing of all Existing Service Contracts and all Construction and Design Agreements. Exhibit F also indicates which Existing Service Contracts, if any, will be in effect as of the Closing Date pursuant to Section 7.3 below. To Seller’s knowledge, Seller has delivered to Purchaser true and complete copies of each Existing Service Contract, each Construction and Design Agreement, and each Other Agreement. To Seller’s knowledge, each Existing Service Contract, each Construction and Design Agreement, and each Other Agreement is in full force and effect and no party thereto is in default thereunder. Except as set forth on Exhibit E, each Existing Service Contract is terminable without fee or penalty upon not more than thirty (30) days’ notice.

6.14. All items being supplied or made available to Purchaser pursuant to Section 3 above are true and complete copies of the original documents which they purport to be; however, no representation of any kind is made as to the accuracy of any of the substantive information contained in any of the documents provided by Seller to Purchaser hereunder except that, to Seller’s knowledge, those documents which were prepared by Seller and delivered to Purchaser pursuant to Section 3 above which purport by their terms (or by the transmittal letter delivering same) to provide accurate disclosure of factual information known to Seller were in fact accurate in all material respects as of the date prepared.

6.15. There is currently in full force and effect the property, casualty, and other insurance required to be in effect as Landlord’s obligation under the Lease (the “**Insurance**”). The Insurance is on an “occurrence basis,” and Purchaser has the full right to receive any proceeds thereof to the extent provided for in Section 9. Seller has no knowledge of any pending or threatened condemnation or similar proceeding affecting the Property.

6.16. All Permits related to Base Building Work and/or the Base Building (other than those the absence of which would have only a *de minimis* adverse effect on the Property) have been obtained and are in full force and effect. All fees payable in connection with such items have been paid in full. The improvements completed to date on the Property have been built in accordance, in all material respects, with all applicable zoning, land use, environmental, wetlands, building code, fire code, landlord and tenant, and other applicable Laws. The improvements included in the Property do not constitute nonconforming structures, nor do the uses thereof as permitted under the Lease and the Other Leases (if any) constitute non-conforming uses under applicable Laws, and no special exception or variances shall be required

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as conditions to the full use and occupancy of the Property under such Laws. Schedule 6.16 attached hereto is a list of all certificates of occupancy that have been issued for the Building.

6.17. To Seller’s knowledge, there are no material defects, structural or otherwise, in the design or construction of the improvements included as part of the Property, including without limitation the roofs, mechanical system and parking areas, which will not be repaired prior to Closing. All systems completed within said improvements (including without limitation the mechanical, HVAC and electrical systems) are in good operating condition and shall require no special maintenance, repair or replacement. Seller has no knowledge, and has received no notices from governmental officials, insurance carriers or others to the effect that the Property (or any use thereof) was constructed other than in conformity with the plans and specifications and approved site plan therefor. All utilities necessary for the operation and use of the Property as an office building and parking garage, as applicable, are available, and no tap or connection fees in addition to the current utility charges have been levied or are outstanding.

6.18. Seller has no knowledge of any legal or other impediments to any future expansion of the improvements included in the Property, subject to compliance with applicable Laws and covenants, conditions and restrictions of record.

All representations and warranties of Seller contained herein are intended to and shall remain true and correct in all material respects as of the Closing and shall survive Closing and the delivery of the Deed for a period of one (1) year (meaning that any claims by Purchaser with respect to such representations or warranties shall be commenced by written notice to Seller within said one (1) year period and shall be diligently pursued thereafter, or shall be deemed to have expired and have been waived). Whenever in this Section 6 a representation of Seller is based on the "Seller's knowledge" or words of similar import, such reference shall be deemed to be to the actual knowledge of James A. Evans, Theodore Schweitzer, Steven F. Grant and Rustom Cowasjee, without investigation or inquiry of any kind other than such investigation as were actually conducted by such person(s). There shall be no personal liability to said individuals arising out of said representations or warranties (all liability therefrom being attributable to Seller hereunder).

7. Seller's Covenants.

Seller hereby covenants and agrees as follows:

7.1. Seller shall promptly furnish or make available to Purchaser through Closing all existing information pertaining to the Property reasonably requested by Purchaser or its representatives and shall continue after the Review Period to permit Purchaser and its representatives to make inspections and tests of the Property, including all portions of the buildings, the leased space, and the parking areas subject to Purchaser's covenants set forth in Section 4.1 above.

7.2. Seller shall maintain the level of security and maintenance to the Property, and shall not reduce the number of employees employed to service same (the "Existing

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Employees"). Seller shall make all repairs and replacements to the Property and shall continue to maintain in full force and effect all Permits and related items, and all Insurance relating to the Property or any part thereof (to the extent required under the Lease) through Closing.

7.3. Immediately prior to the Closing, Seller shall terminate all Existing Service Contracts which were designated for termination by Purchaser, and those Existing Employees who the parties mutually agree shall be terminated, at least thirty (30) days prior to Closing. All other Existing Service Contracts and those Existing Employees who the parties mutually agree shall be hired shall be continued and assigned to (or hired by, as the case may be) Purchaser as of the Closing. If no designation is timely made by Purchaser, then all such Existing Service Contracts and Existing Employees shall be terminated. At Closing, Seller shall provide evidence to Purchaser, in form reasonably acceptable to Purchaser, that prior to any such termination all obligations under the Existing Service Contracts have been completely satisfied or adequately provided for.

7.4. Notwithstanding anything in the Lease to the contrary, Seller shall not execute any easements, covenants, conditions, encumbrances, restrictions or other title matters which would encumber the Property, nor seek any zoning change or other governmental approval with respect to the Property, without first obtaining Purchaser's prior written consent in each instance, which consent shall not be unreasonably withheld, conditioned or delayed. If Purchaser fails to respond within eleven (11) business days after written notice from Seller requesting Purchaser's consent (which request includes a proposed form of the easement in question and states in a conspicuous fashion that the failure to respond within eleven (11) business days after receipt or deemed receipt will constitute consent to the item in question), Purchaser shall be deemed to have consented. Any dispute regarding consent under this Section 7.4 shall be subject to arbitration hereunder.

7.5. Seller shall (a) pay in a timely fashion all taxes and other public charges against the Property, and (b) provide Purchaser, within ten (10) days of receipt, with copies of any notices Seller receives with respect to any special assessments or proposed increases in the valuation of the Property. Purchaser shall have the right to contest, in the name of Seller, under substantially the same procedures described in the Lease (as if applicable hereto), any proposed increase in the assessment of the Property.

7.6. Seller shall provide Purchaser, within ten (10) days of receipt, with copies of any notices Seller receives with respect to any condemnation or eminent domain proceedings affecting the Property.

7.7. Seller shall comply with all provisions of the Lease concerning environmental and other legal compliance which impose obligations upon the "Landlord" (and Purchaser shall comply with all provisions of Section 5 of the Lease which impose such obligations upon the "Tenant"). Prior to the Closing Date, Seller shall, at its sole cost, remove, remediate, transport, and dispose of all Hazardous Materials and indemnify Purchaser in connection therewith, which are Seller's responsibility under the Lease.

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7.8. In the event Seller receives any Incentives from any federal, state or local government on behalf of Purchaser or on account of Purchaser's occupancy in Waterview at Woodland Park, Seller agrees to convey the full amount of the incentive received by Seller to Purchaser (to the extent not already conveyed to Purchaser under the Lease) either (i) as a credit to Purchaser at Closing (to the extent the full amount of such Incentive is received by Seller prior to the Closing Date), or (ii) in the form of a reimbursement check to be delivered by Seller to Purchaser within five (5) business days of Seller receiving such Incentive (if such Incentive is received by Seller after the Closing Date). Notwithstanding the foregoing, Seller shall not be required to convey, transfer or assign the benefits associated with any such incentive(s) (or amounts corresponding thereto) to Purchaser in the event such conveyance, transfer or assignment (or payment in correspondence thereto), would constitute a violation of any applicable Laws. This covenant and Seller's obligations in this Section 7.8 shall survive the Closing. "Incentives" shall mean (and be limited to) any Purchaser-initiated tangible incentives that are paid to Seller in the form of (a) cash, or (b) cash equivalents. To the extent an Incentive is received in a non-cash or non-cash equivalent form, Purchaser and Seller will work together cooperatively to equitably allocate such Incentive to Purchaser.

7.9. [Intentionally Deleted.]

7.10. From the Effective Date through the Closing Date (or earlier termination of this Agreement), and notwithstanding anything in the Lease to the contrary, but subject to Section 7.4 above with regard to easements and other title matters (which will be governed by such Section), Seller shall not take any of the following actions without the prior express written consent of Purchaser, which shall not be unreasonably withheld conditioned or delayed: (i) enter into any agreement, lease, or other undertaking with respect to the Property or any part thereof, which will be binding upon Purchaser after Closing or adversely affect the Property or Purchaser, (ii) make any commitments or representations to any applicable governmental authorities, any adjoining or surrounding property owners, any civic association, any utility or any other person or entity that would in any manner be binding upon Purchaser or adversely affect the Property, or (iii) extend, modify, cancel (except in connection with a default thereunder as provided for therein) or otherwise alter any one or more of the Existing Service Contracts or other agreements affecting the Property which will be binding upon Purchaser after Closing. Nothing set forth herein will be construed to restrict Seller from entering into agreements or undertakings reasonably necessary for the performance of Seller's Construction Obligations in accordance with Section 11 hereof and the Work Agreement which will not be binding on Purchaser or adversely affect the Property.

7.11. Seller shall comply with and complete all of the requirements, obligations and responsibilities (including the timing associated with same) of the Proffers and Development Conditions pursuant to Section 20.2 of the Lease (excluding any items that Purchaser may agree to post-closing, if any). In addition, Seller shall

not agree to any new Proffers and/or Development Conditions or amendments to existing Proffers and/or Development Conditions which would have the effect of decreasing Purchaser's rights or increasing Purchaser's obligations hereunder (other in a *de minimis* manner) without the prior written approval of Purchaser, not to be withheld in bad faith or unreasonably conditioned or delayed.

Notwithstanding anything in this Agreement to the contrary: (a) Purchaser shall not be liable for any of the obligations of Seller or any Seller Affiliate under the Proffers and/or Development Conditions; (b) Purchaser shall not assume or be obligated to perform obligations thereunder (except for the Transportation Strategies); and (c) Seller hereby agrees to indemnify and hold Purchaser harmless from and against any and all such obligations and responsibilities and any claims, costs, damages (excluding consequential or punitive damages), expenses and the like incurred by Purchaser in connection with Seller's failure to satisfy any and all such obligations and responsibilities. This provision shall survive Closing hereunder, without limitation.

7.12 Seller shall repair or correct (or cause to be repaired or corrected) any and all defects or incomplete items in Landlord's Work which are first detected within one (1) year after Closing. The foregoing one (1) year time limitation shall not be construed to limit the warranty period independently provided for by any manufacturer or supplier with respect to equipment incorporated into the Building, nor the warranty period otherwise provided for under the terms of the Base Building construction contract and all such warranties shall be assigned to Purchaser. This Section 7.12 shall survive Closing for a period of one (1) year.

7.13 Notwithstanding any other provision hereof to the contrary, the parties agree that, in the event the Permitted Assignee is a COPT Entity, Section 7.12 and the first two sentences of Section 6.17 shall be deemed to be deleted and of no force or effect, and, in consideration of a mutually agreed upon credit to the purchase price, Purchaser shall have no claim against Seller in respect of any alleged defect or incomplete work in connection with Landlord's Work, either for breach of warranty or breach of covenant or otherwise.

8. Conditions.

8.1. The obligations of Purchaser under this Agreement are subject to the satisfaction on or before the Closing Date, as such date may be extended pursuant to Section 8.2, of all conditions contained in this Agreement, including each of the following (any of which may be waived by Purchaser, in Purchaser's sole and absolute discretion, but only in writing):

(a) The representations and warranties of Seller set forth in this Agreement shall be true and correct in all material respects as of the Closing Date as though such representations and warranties were made and restated on and as of such date, and no Seller Default shall then exist.

(b) Fee simple title to the Property shall be conveyed in accordance with the requirements of this Agreement. An examination of title to and survey of the Real Property conducted on the Closing Date shall disclose no lien, encumbrance, encroachment, defect or other matter affecting the status of title or survey to the Real Property except for the Permitted Exceptions. In addition, the title insurance company conducting the title examination (the "**Title Company**") shall be prepared to issue to Purchaser, at standard rates and with such provisions for reinsurance as Purchaser shall reasonably request (and subject to (i) Purchaser's obligation to pay the premium in respect thereof, and (ii) Purchaser's and Seller's respective obligations to satisfy any conditions specified by the Title Company or by Synthetic Lessor (if

applicable) for such issuance, which, in the case of any special provisions or endorsements relating to Purchaser's synthetic lease requirements, will not involve conditions or requirements that are significantly more burdensome to Seller than those customarily applicable to sellers in order to secure the issuance of a typical owner's (or lender's or leasehold owner's) title insurance policy unless Seller is indemnified by VeriSign, Inc. (or other creditworthy entity acceptable to Seller in its sole discretion) against such matters), an ALTA Form B (10-17-70 revision, or other form acceptable to Purchaser in its sole discretion) owner's title insurance policy (for the actual titleholder of the Property) in the amount of the Purchase Price at a minimum, insuring that the fee simple estate to the Real Property is vested in such owner with exception only for the Permitted Exceptions, and without mechanic's lien, survey, encroachment, creditors' rights and other standard exceptions, as well as, if the conveyance shall be by synthetic lease: (A) a leasehold policy insuring the tenant with respect to its leasehold interest in the Property; (B) a mortgagee policy for the synthetic lessor insuring that, among other things, the Deed of Trust insured thereby creates a valid first lien on the synthetic lessor's fee title to the Property, free and clear of all defects and encumbrances, except Permitted Exceptions; and (C) an alternate policy (or endorsement) for the synthetic lessor providing for the possibility of recharacterization, all as may be customary for synthetic lease transactions, and (D) any additional endorsements to any such policies, as may be required by Synthetic Lessor (collectively, the "**Title Policy**"). In addition, the survey shall be certified to Purchaser, the synthetic lessor and the Title Company, and shall be made in accordance with the Minimum Standard Detail Requirements for Land Title Surveys jointly established and adopted by the American Land Title Association and the American Congress on Surveying and Mapping in 1999. Without limiting the generality of the foregoing, there shall be surveyed and shown on such survey the following: (i) the locations on such Property of all the buildings, structures and other improvements, if any, and the established building setback lines; (ii) the lines of streets abutting such Property; (iii) all access and other easements appurtenant to such Property; (iv) all roadways, paths, driveways, easements, encroachments and overhanging projections and similar encumbrances affecting such Property, whether recorded, apparent from a physical inspection of the Property or otherwise known to the surveyor; (v) any encroachments on any adjoining property by the building, structures and improvements on such Property; and (vi) if such Property is described as being on a filed map, a legend relating the survey to said map.

(c) Except as provided in Section 9 (concerning casualty and condemnation), there shall have been no material adverse change in the physical condition of the Property or any part thereof, or any systems or equipment included therein, between the Effective Date and the Closing Date.

(d) At Closing, possession of the Property shall be delivered as then required by the Lease (concerning Final Completion) and this Agreement and Purchaser shall have received all certificates of occupancy, all Design and Construction Agreements, and all other Permits for the lawful use, occupancy and operation of the Property (including appurtenant parking uses).

(e) No Permits issued prior to Closing and necessary for operation of the Building, or for Purchaser's Permitted Use after delivery of possession of the Premises under the Lease, shall have been revoked.

(f) The existing zoning classification of the Property shall not have been changed in any manner adverse to Purchaser or the Property in more than a *de minimis* manner, and no down-zoning or other adverse change in the zoning requirements applicable to the Property shall have been enacted, proposed or threatened.

(g) All applicable Existing Service Contracts and Existing Employees shall have been terminated to the extent required in accordance with Section 7.3.

(h) There shall have been no Hazardous Materials introduced in, on or under the Property (other than by Purchaser, its agents, employees or contractors) between the Effective Date and the Closing Date, in violation of any Environmental Laws.

(i) There shall be no monetary or material non-monetary default by Seller as Landlord under the Lease which extends uncured beyond any cure or grace period provided for in the Lease or in Section 8.2, whichever is shorter.

8.2. If any condition described in Section 8.1 is not satisfied by the Closing Date, then either Seller or Purchaser shall have the right, at its option, to extend the Closing Date upon not less than five (5) days' notice to the other party, provided that Seller shall not have the right to extend the Closing Date pursuant to this Section 8.2 to a date which is later than ten (10) business days prior to the Commitment Expiration Date, as defined herein. Such extension (if any) (i) shall, with respect to Seller only, be for the sole purpose of using reasonable and diligent efforts to cause any unsatisfied condition to be satisfied, and (ii) may be invoked as to one or as to more than one condition, and from time to time during such period (subject to the 60-day aggregate period), and (iii) will (except as provided above with respect to the Commitment Expiration Date) allow for extensions of up to sixty (60) days in the aggregate or until such conditions are satisfied, whichever is earlier, as long as Seller is continuing diligent efforts to bring about the satisfaction of any such conditions. Subject to the foregoing right to extend, in the event of the failure of any condition which is not caused by a Seller Default (as hereinafter defined, which event is covered by Section 13 below), Purchaser shall be entitled to either (x) terminate this Agreement or (y) waive such failed condition and proceed to Closing hereunder (subject to Section 13.1). Upon any termination of this Agreement by Purchaser as aforesaid, Seller and Purchaser shall each be released from any and all further liability under this Agreement (other than under provisions which by their terms specifically survive any termination of this Agreement). Notwithstanding anything in this Section 8.2 to the contrary, if this Agreement is assigned to a COPT Entity, then in no event shall Seller extend the Closing Date beyond June 30, 2003 without Purchaser's prior written consent.

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9. Damage, Destruction and Condemnation.

9.1. In the event of any loss, damage or destruction to the Property or any part thereof prior to Closing, the applicable provisions of the Lease shall govern. The foregoing notwithstanding, if the cost of repairing or replacing any loss, damage or destruction to the Property or any part thereof exceeds One Million Dollars (\$1,000,000) as estimated by an independent third party reasonably acceptable to Purchaser and Seller, Purchaser shall have the right to terminate this Agreement by written notice to Seller delivered within ten (10) business days after such estimate is delivered to the parties. Upon such termination, all rights, obligations and liabilities of the parties hereto shall terminate except for any obligations of either party that, pursuant to the provisions of this Agreement, survive any such termination (and such termination hereunder shall not constitute a termination of, or give rise to any right of termination under, the Lease except as may be expressly provided for therein).

9.2. In the event that any condemnation proceedings are instituted, or notice of intent to condemn is given with respect to all or any portion of the Property, Seller shall promptly notify Purchaser thereof, in which event Purchaser shall have the option (for a period of thirty (30) days after receipt of such notice) to either terminate this Agreement, or to consummate the purchase of the Property without reduction of the Purchase Price, and the right to collect any condemnation award or compensation for such condemnation shall be assigned by Seller to Purchaser at Closing. Seller shall not agree to or accept any compromise or condemnation award without obtaining Purchaser's prior written approval thereof which approval shall not be unreasonably withheld, conditioned or delayed. For purposes of this Agreement a condemnation shall be deemed to include any governmental action which could limit or render inconvenient the access to or parking of the Property in more than a *de minimis* manner.

9.3. Seller agrees to maintain (or to cause to be maintained) in full force and effect up to the Closing Date and other insurance as required by the Lease.

10. Closing.

10.1. The date (the "**Closing Date**") on which the parties shall consummate the transaction contemplated hereby (the "**Closing**") shall be any date designated by Purchaser from time to time upon not less than five (5) business days' prior written notice to Seller, but (except as may be extended pursuant to Section 8.2) in no event (i) later than the ninetieth (90th) day after the Last Rent Commencement Date (as defined in the Lease) nor (ii) earlier than the tenth (10th) business day after the Review Period Expiration Date; provided, however, if this Agreement is assigned to a COPT Entity, then the Closing shall be on or before June 30, 2003, with the parties endeavoring to close on or before June 16, 2003. The Closing shall be held at the offices of the law firm of Piper Rudnick LLP, 1200 Nineteenth Street, N.W., Washington D.C. 20036-3900 (unless the transaction is closed by mail/overnight courier into escrow with Escrow Agent, if permitted by Purchaser's synthetic lessor). The Closing Date may be extended in accordance with Section 8.2 herein. Notwithstanding anything contained herein to the contrary, the parties agree to use commercially reasonable efforts to pre-close the transaction contemplated hereby (i.e., sign the documents into escrow) not less than one (1) business day immediately preceding the then-scheduled date of Closing.

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10.2. At least one (1) business day prior to the scheduled Closing Date, the parties shall commence a pre-closing in which the following shall occur (which pre-closing Seller acknowledges may not include deliveries necessary to satisfy all of the closing requirements applicable to Purchaser's synthetic lease transaction):

(a) Seller shall deliver or cause to be delivered to Escrow Agent the following original items and/or documents (collectively, the "**Conveyance Documents**") duly executed and acknowledged where appropriate:

- (i) The Deed in the form attached as Exhibit I hereto;
- (ii) A Bill of Sale in the form attached as Exhibit J hereto;
- (iii) Two counterparts of an Assignment and Assumption Agreement in the form attached as Exhibit K hereto (the "**Assignment**");

(iv) A certificate to Purchaser and the Title Company of non-foreign status confirming that Seller is not a foreign person, and that Purchaser is not required to withhold any part of the Purchase Price, pursuant to Section 1445 of the Internal Revenue Code of 1986, as amended (and if Seller fails or refuses to provide such certificate, the Title Company or Escrow Agent shall have the right to make such deductions from Seller's proceeds at Closing and to remit such amounts to the Internal Revenue Service as are required by the Federal Foreign Investment in Real Property Tax Act and the regulations promulgated thereunder);

(v) Any and all information required by the Title Company to comply with the real estate reporting requirements set forth in Section 6045(e) of the Internal Revenue Code of 1986, as amended;

(vi) Evidence reasonably acceptable to Purchaser and the Title Company as to the authority of Seller and its partners and the person or persons executing documents on behalf of Seller and its partners, and such other reasonable and customary documents and submissions as are required of Seller by the Title Company under Schedule B-1 of Purchaser's title commitment in order to issue the Title Policy;

(vii) All leasing and property files and records pertaining to day-to-day operation, leasing, construction and maintenance of the Property to the extent that such files and records are in the possession, custody or control of Seller; provided, however, that such files and records may be held at the Property or at the offices of Seller or Seller's property manager for delivery to Purchaser incident to Closing and provided further that proprietary information of Seller shall not be included;

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(viii) The originals (where in Seller's possession or control) of all Permits related to the Property, together with the originals (where in Seller's possession or control) of those materials required to be delivered or made available to Purchaser pursuant to Section 3 hereof; provided, however, that such materials may be held at the Property or at the offices of Seller or Seller's property manager for delivery to Purchaser incident to Closing;

(ix) The originals (where in Seller's possession or control) or copies, if appropriate, of all guarantees or warranties of the improvements constructed upon the Property or any part thereof (including, without limitation, those for the curtain wall, HVAC systems (per component), elevator and roof) and all other Construction and Design Agreements; all equipment and operating manuals; all stockpiled materials; all as-built drawings; all engineering reports (including, without limitation, the commissioning report); and written evidence of compliance with the acoustical criteria set forth in the Proffers and/or Development Conditions;

(x) All original counterparts of the Lease, and any Letters of Credit (which shall be delivered to VeriSign, Inc. irrespective of whether or not this Agreement is assigned to a Permitted Assignee or otherwise) or other collateral delivered by Purchaser to Seller as a security or similar deposit pursuant to the terms of the Lease (and any Other Leases);

(xi) All keys, codes and other security devices for the Property, if any, not already in Purchaser's possession;

(xii) A reasonable and customary affidavit and indemnity agreement with the Title Company certifying: (1) the absence of (or indemnity against) claims which would give rise to mechanic's and materialmen's liens, (2) that Seller, Purchaser and the any other Tenants (and agents and contractors performing construction work on their behalves) are the only parties in possession of the Property, (3) the absence of (or indemnity against) any pending or outstanding suits or judgments against either Seller or encumbering the Property, and (4) any other customary matters that the Title Company may reasonably request;

(xiii) The Settlement Statement (as defined in Section 10.6, below) and Seller's Contribution (as defined below);

(xiv) A certificate to Purchaser regarding all of Seller's representations and warranties, in the form attached as Exhibit L;

(xv) An estoppel certificate executed by TST Woodland, L.L.C. confirming certain items related to that certain Declaration of Protective

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Covenants dated February 25, 1986, as amended, in the form attached as Exhibit N;

(xvi) An estoppel certificate executed by JLL (as hereinafter defined) confirming that no party other than VeriSign, Inc., in its personal capacity, owes JLL any brokerage commission in connection with the transactions contemplated herein; and

(xvii) In accordance with the requirements of, and to effectuate the terms of, that certain Letter Agreement dated as of May 15, 2003 between Seller and VeriSign, Inc., (a) an amendment to the Declarant Letter and the Second Declarant Letter dated as of July 19, 2001 by TST Woodland, L.L.C. to VeriSign, Inc., agreed to by TST Waterview I, L.L.C., (b) an amendment to the Ninth Amendment to Declaration of Protective Covenants dated as of July 19, 2001, and (b) an amendment to the Option Agreement dated as of July 19, 2001 between TST Waterview I, L.L.C., as amended by the First Amendment to Option Agreement dated as of July 19, 2001 (collectively, the "**Waterview Documents**"). VeriSign, Inc. and Seller shall negotiate in good faith to finalize the Waterview Documents by not later than May 23, 2003.

Such other documents, instruments, affidavits and agreements as may be reasonably necessary or appropriate to complete the closing of the transaction contemplated hereby, or otherwise required by the terms of this Agreement (whether before or after Closing), provided the same do not modify the rights and obligations of Seller under this Agreement in more than a *de minimis* manner.

(b) Purchaser shall deliver or cause to be delivered to Escrow Agent the following items and/or documents (duly executed and acknowledged where appropriate):

(i) The Purchase Price, as adjusted to reflect Purchaser's and Seller's share of closing costs and any fees payable thereby, and any allocation of Purchaser's Contribution and Seller's Contribution, as more particularly set forth herein (including in all events Purchaser's payment of the premium for the Title Policy and any costs necessary to cure any monetary defaults then outstanding under the Lease, if any);

(ii) Two counterparts of the Assignment;

(iii) Any and all information required by the Title Company to comply with the real estate reporting requirements set forth in Section 6045(e) of the Internal Revenue Code of 1986, as amended;

(iv) Evidence reasonably acceptable to the Title Company as to the authority of the person or persons executing documents on behalf of Purchaser

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(if required), and such other reasonable and customary documents and submissions as are required of Purchaser by the Title Company under Schedule B-1 of its title commitment in order to issue the Title Policy;

(v) The Settlement Statement and Purchaser's Contribution (as defined below);

(vi) Such other documents, instruments, affidavits and agreements as may be reasonably necessary or appropriate to complete the closing of the transaction contemplated hereby, or otherwise required by the terms of this Agreement (whether before or after Closing), and provided the same do not modify the rights and obligations of Purchaser under this Agreement in more than a *de minimis* manner;

(vii) Such information as Seller may reasonably require to confirm for itself (but not as a condition to Closing) that the transaction contemplated hereby does not violate any applicable ERISA requirement; and

(viii) The Waterview Documents.

(c) Purchaser and Seller each agrees to use commercially reasonable efforts to deliver the funds required of it at Closing by wiring the same to Escrow Agent so that the wire may be confirmed in time to allow Closing to occur as required hereunder.

(d) Upon (A) receipt of all items specified above, (B) the satisfaction or written waiver of all conditions precedent to Closing, and (C) the Title Company issuing (or unconditionally and irrevocably committing to issue) the Title Policy, Escrow Agent shall close the transaction in accordance with written closing instructions not inconsistent herewith that Escrow Agent may receive from Purchaser's, Seller's, and Purchaser's synthetic lessor's (or other lender's) respective legal counsel; provided, that in no event shall such instructions conflict with each other.

10.3. Seller shall pay the cost of preparing the Deed, the costs associated with releasing any encumbrances of record, and recording fees charged by the Clerk of Court. Purchaser and Seller shall each pay one-half (1/2) of the cost of all transfer and recordation taxes associated with recordation of the Deed and the Virginia's grantor's tax). Purchaser shall pay all transfer and recordation taxes associated with any financing of Purchaser's acquisition of the Property, the costs and fees for title examination and title insurance, survey costs and the costs of recording the Conveyance Documents. Each party shall pay its own attorney's fees. The parties shall divide equally any escrow fees. Any other closing costs not set forth above shall be negotiated between the parties and allocated in a commercially reasonable fashion based on then current custom and practice.

10.4. To the extent Closing occurs prior to what would have been the first Rent Commencement Date under the Lease (*i.e.*, December 1, 2002), all expenses with respect to the

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Property through the date of Closing will be paid by Seller, and, after Closing, certain expenses associated with the Property pending the Last Rent Commencement Date (*i.e.*, August 1, 2003) will be payable by Purchaser on a phased basis as provided for in the Lease. Accordingly, all real estate taxes, assessments, personal property taxes, rents and other charges, interest (if any), operating expenses, utility charges, real estate tax passthroughs, common area maintenance costs, merchants' association dues or promotion fees (if any), security charges, any and all rent and other charges due from one party to the other under the Lease, and any and all other proratable charges and expenses shall be prorated between Purchaser and Seller as of midnight prior to Closing consistent with the relative obligations of the parties pursuant to the Lease. All such charges will be payable by Purchaser as of August 31, 2003. To the extent any utility deposits or similar deposits (i) have been made by Seller, (ii) are in effect with respect to the Property, and (iii) are not refunded to Seller upon conveyance of the Property (or directly refundable to Seller upon completion of Seller's Construction Obligations), Purchaser shall credit to Seller at Closing an amount equal to such deposits, together with any interest then earned thereon. Seller shall pay in full any and all leasing commissions or other compensation with respect to the Lease and the initial term of all Other Leases, if any, and other tenancies in effect as of the Closing Date, if any, and Seller shall pay in full the Broker's commission, if any, pursuant to Section 14 hereof. The amount of any Seller's Contribution shall be deducted from the Purchase Price and the amount of any Purchaser's Contribution shall be credited to the Purchase Price. To the extent any special assessments are levied against the Property prior to Closing by virtue of any agreement between Seller (or any Seller Affiliate) and any governmental authority pursuant to which improvements to Woodland Park which were otherwise required to be performed at the expense of Seller or Seller Affiliates are performed instead by such governmental authority, such special assessment shall be paid (or, if permitted by its terms to be paid after Closing in installments, indemnified against or otherwise provided for) by Seller and such Seller Affiliates.

10.5. At Closing, to the extent Seller has failed to make provision therefor out of the settlement proceeds or otherwise to the Title Company's reasonable satisfaction, Purchaser shall have the right, at Purchaser's option and in Purchaser's sole discretion, to pay off and discharge, or bond over (if the Title Company will provide clean title insurance to Purchaser as a result thereof) any and all mortgages, deeds of trust, judgments, liens and any other type of encumbrance securing an indebtedness of any type or nature which encumbers the Property at the time of Closing, so that the Property can be conveyed free and clear thereof. All amounts so paid by Purchaser, including any penalties and other costs, shall be deducted from the Purchase Price.

10.6. At the Closing, Purchaser and Seller shall execute and deliver a settlement statement (the "**Settlement Statement**") which accurately reflects all of the payments, credits, charges, adjustments and prorations provided for herein. Escrow Agent shall prepare an initial draft of such Settlement Statement, and the parties will work together reasonably and in good faith to agree upon an approved Settlement Statement (and neither Seller nor Purchaser shall unreasonably withhold its agreement and consent to the Settlement Statement) at least two (2) business days prior to the scheduled Closing Date.

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10.7. If Closing occurs after the Last Rent Commencement Date, Purchaser shall pay all Rent due under the Lease until Closing. If Closing occurs prior to the Last Rent Commencement Date, then, during the Payment Period (as defined in Section 11.2 below), Seller shall pay to Purchaser, not later than the tenth (10th) day of each calendar month during the Payment Period, the Free Rent Funds Amount. If any such payment is not timely made, then Purchaser shall have the right to make a Purchaser Requisition to fund such amount out of the Escrow Funds. Upon any assignment of this Agreement by Purchaser to a designee for purposes of facilitating a synthetic lease or other off-balance sheet financing, as permitted under Section 15.1, Purchaser shall not be obligated to assign the right to receive the payments described in this Section 10.7 from Seller, but may retain the right to receive such payments. The Last Rent Commencement Date shall be deemed to be August 1, 2003. As used herein, the term "**Free Rent Funds Amount**" shall mean that amount, calculated on a daily basis from time to time, equal to the sum of: (1) product of (a) the quotient of (i) the product of (A) the Net Purchase Price (on a per rentable square foot basis, based upon the number of rentable square feet in the Premises for which a Rent Commencement Date shall not have occurred), multiplied by (B) seven percent (7.0%) per annum (compounded monthly), divided by (ii) three hundred sixty-five (365), multiplied by (b) the number of days in the Payment Period; plus (2) two and 50/100 dollars (\$2.50) per annum (pro-rated on a per diem basis) per rentable square foot for which a Rent Commencement Date has not occurred (escalated at three percent (3.0%) per annum from and after the date of the Lease) per day for each day during the Payment Period (which is a mutually agreed upon amount on account of costs incurred in connection with utilities, services and taxes provided during the period of construction of the Initial Installations by Purchaser (as Tenant under the Lease). Purchaser and Seller agree that the "Free Rent Funds Amount" shall be payable at Closing in accordance with Schedule 10.7 attached hereto.

11. Certain Defined Terms/Synthetic Provisions.

11.1. Within ten (10) days after request of Seller after execution and delivery of this Agreement, Purchaser shall notify Seller in writing (i) of the date upon which Purchaser's commitment for the Synthetic Lease expires by its terms, which Purchaser shall use good faith efforts to cause to be not less than ninety (90) days after the Review Period Expiration Date (the "**Commitment Expiration Date**"), and (ii) of the date upon which Purchaser anticipates consummating Closing hereunder, assuming the conditions for Closing have been satisfied (the "**Estimated Closing Date**").

11.2. The following terms shall have the meanings set forth below (and any capitalized term used which has not been defined herein shall have the same meaning as provided in the Lease modified as the context may reasonably require):

"**Net Purchase Price**" shall mean the Purchase Price payable by Purchaser under this Agreement, as adjusted for the closing costs and prorations specified in Sections 10.3 and 10.4 pursuant to the Settlement Statement.

"**Payment Period**" shall mean the period commencing on and including the Closing Date and continuing through the Last Rent Commencement Date under the Lease.

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“**Purchaser’s Contribution**” shall mean the then unpaid, unamortized portion of the Supplemental Allowance at such time.

“**Seller’s Agents**” shall mean Landlord’s Agents as defined in the Lease.

“**Seller’s Construction Obligations**” shall mean Landlord’s Work.

“**Seller’s Contribution**” shall be an amount equal to any then unfunded portion of Landlord’s Contribution and/or Supplemental Allowance (as defined in the Work Agreement), and Escrow Agent shall be obligated to apply the full amount of such sums as Purchaser may properly direct.

“**Synthetic Lessor**” shall mean [Not Applicable].

“**Synthetic Lease**” shall mean [Not Applicable].

11.3 Seller and Escrow Agent each acknowledges that, for purposes of a synthetic lease transaction, VeriSign, Inc., or its designee, may need to serve as the Construction Agent for the synthetic lessor (but only as between the synthetic lessor and VeriSign) in connection with any improvements to the Building. Each agrees to cooperate with Purchaser in reasonably effectuating such requirement, provided the same does not adversely modify any of the rights or obligations of either Seller or Escrow Agent under this Agreement in more than a *de minimis* respect to which Seller or Escrow Agent do not agree in their reasonable discretion.

12. Indemnifications.

12.1. Seller agrees to indemnify, hold harmless and defend Purchaser from and against all third party claims, actual (non-consequential) damages, liabilities, costs and/or expenses (including reasonable attorney’s fees and court costs) (collectively “**Claims**”) incurred or sustained by Purchaser in connection with the following:

(a) The obligations of Seller as the owner and developer of the Property to the extent accruing prior to Closing in connection with the ownership, management, operation, use, occupancy, maintenance, construction and repair of the Property, other than those costs, expenses and obligations (the “**Closing Costs**”) that are taken into account as closing adjustments to the Purchase Price and are shown on the Settlement Statement and except to the extent the same are Purchaser’s responsibility under the Lease;

(b) The failure of Seller to comply with the provisions of any bulk sales law or similar Law that may be applicable to the transaction contemplated by this Agreement;

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(c) The failure of Seller to comply with its obligation to pay any broker or agent a commission or other compensation with respect to the purchase and sale of the Property;

(d) Any construction or similar obligation in connection with the Approved Zoning (as defined in the Lease); and/or

(e) Any breach of this Agreement by Seller, subject to all applicable terms and conditions of this Agreement (including, without limitation, the provisions of Section 13.1 and Section 15.6 of this Agreement).

12.2. Purchaser agrees to indemnify, hold harmless and defend Seller from and against all Claims incurred or sustained by Seller in connection with the following:

(a) The obligations of Purchaser as the owner, but not the developer, of the Property to the extent accruing on or after Closing in connection with the ownership, management, operation, use, occupancy, maintenance, construction and repair of the Property, other than the Closing Costs and except to the extent, if any, the same are Seller’s responsibility under this Agreement after Closing; and/or

(b) Any Claim occurring prior to Closing which Purchaser, as Tenant under the Lease, would have been liable for under the Lease, but was not due to the operation of Sections 32.4(c) and 32.4(d) of the Lease.

(c) Any breach of this Agreement by Purchaser, subject to all applicable terms and conditions of this Agreement, if and to the extent Closing occurs (it being understood that Purchaser shall not be liable more than once under the Lease and this Agreement for the same Claim).

13. Remedies.

13.1. (a) If, as of the Closing Date, there shall have been a failure of any condition to Closing pursuant to Section 8.1 of this Agreement due to any “Seller Default” (as hereinafter defined) (with a non-Seller Default situation being covered in Section 8.2), then, subject to Purchaser’s right to extend Closing as set forth in Section 8.2, above, Purchaser shall have the option, at its election and sole discretion: (i) to terminate this Agreement; *or* (ii) to require specific performance of Seller’s obligation to convey and deliver the Property (including signing and delivering any Conveyance Documents) as required under this Agreement and/or to require specific performance of any other non-*de minimis* obligation of Seller specified in this Agreement and/or to obtain any other appropriate equitable relief (including, without limitation, the rescission or removal of any title matters entered into in violation of this Agreement, whether such rescission or removal is sought before or after Closing); *or* (iii) to close the transaction contemplated by this Agreement despite such Seller Default, and, in connection with either (i), (ii) or (iii) above, pursue the remedies described in this Section 13 (including the right to obtain damages in certain instances) by virtue of such failure of condition due to Seller Default. Upon

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any termination of this Agreement, Seller and Purchaser shall each be released from any and all further liability under this Agreement (other than under provisions which by their terms specifically survive any termination of this Agreement).

(b) Notwithstanding anything in this Agreement to the contrary, if a failure of a condition is due to a Seller Default, and if either (1) Purchaser was ready, willing and able to close hereunder but did not on account of such Seller Default or (2) Purchaser closed despite such Seller Default, then, in addition to Section 13.1(a) above, Purchaser shall also be entitled to certain damages from Seller as more fully set forth below. The aggregate liability of Seller to Purchaser for damages arising pursuant to or in connection with any and all Seller Defaults under this Agreement, including any breaches of the representations, warranties, indemnifications, covenants and/or other obligations of Seller under this Agreement, shall not exceed the following types and amounts of damages, as applicable:

(i) for actual damages (which term, as used in this Section 13.1(b)(i) shall be deemed to exclude consequential and punitive damages) arising pursuant to or in connection with a Seller Default which is not a Material Seller Default or an Uncapped Seller Default, five million dollars (\$5,000,000.00) (the “**General Default Cap**”); and

(ii) for actual damages (which, notwithstanding anything herein to the contrary, shall include any quantifiable economic detriment to Purchaser suffered as a result of Purchaser's inability to effectuate a synthetic lease or other off-balance sheet transaction) arising pursuant to or in connection with a Material Seller Default, ten million dollars (\$10,000,000.00) (the "**Willful Default Cap**"); and

(iii) for actual damages arising pursuant to or in connection with an Uncapped Seller Default, no limit.

Notwithstanding anything contained herein to the contrary, Seller shall have no liability to Purchaser for a Seller Default hereunder unless the claims for any and all such breaches collectively aggregate more than Fifty Thousand Dollars (\$50,000), in which event the full amount of such claims shall be actionable.

(c) For purposes of this Agreement, the following terms shall have the following meanings:

"**Seller Default**" shall mean any breach of this Agreement by Seller (including any breach of the representations, warranties, indemnifications, covenants and/or other obligations of Seller under this Agreement), which (i) adversely affects Purchaser or the Property, (ii) is not cured within the period which may be provided therefor, if any, pursuant to Section 8.2, and (iii) is caused by an act or omission within Seller's control. A Seller Default shall include a Material Seller Default and an Uncapped Seller Default. For purposes of this definition, the term Seller shall include any Seller Affiliate.

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"**Uncapped Seller Default**" shall mean any breach of this Agreement by Seller due to: (i) Seller's fraud or malicious conduct; (ii) any of the matters indemnified against by Seller pursuant to Section 12.1(a); (iii) any failure to pay brokerage fees or commissions under this Agreement or the Lease; and/or (iv) the performance (or non-performance) of Seller's Construction Obligations. For purposes of this definition, the term Seller shall include any Seller Affiliate.

"**Material Seller Default**" shall mean the following, but solely to the extent the same continues after Seller's failure to cure within the period (if any) otherwise provided for above in connection with the definition of the term "Seller Default": Seller's breach of any provision of this Agreement (including any breach of the representations, warranties, indemnifications, covenants and/or other obligations of Seller under this Agreement) which is caused by an act or omission within Seller's control if such breach prevents Purchaser's acquisition of the Property or if such breach is (or would be, without Purchaser's indemnity) the primary basis upon which Synthetic Lessor declines (or would, without Purchaser's indemnity, reimbursement obligation or other extraordinary measures, decline, as reasonably substantiated in writing) to close on the financing of Purchaser's acquisition of the Property. For purposes of this definition, the term Seller shall include any Seller Affiliate.

"**Guarantor**" means the Fund.

(d) Guarantor hereby executes this Agreement for purposes of evidencing its agreement to maintain a net worth during the applicable survival period of Seller's obligations hereunder in an amount not less than one hundred million dollars (\$100,000,000), and to execute and deliver the Guaranty (as defined below).

(e) Notwithstanding any other provision of this Agreement to the contrary, Seller's liability for its obligations under this Agreement shall be limited to Seller's interest in all of Waterview (including the net proceeds of insurance, condemnation and sale thereof) (collectively, the "**Project**"), and, except as expressly provided in the Guaranty, Purchaser shall not look to any other property or assets of Seller or the property or assets of any partner, member, shareholder, director, officer, principal, employee or agent, directly and indirectly, of Seller or any Seller Affiliate (collectively, the "**Seller Parties**") in seeking either to enforce Seller's obligations under this Agreement or to satisfy a judgement for Seller's failure to perform such obligations; and none of the Seller Parties shall be personally liable for the performance of Seller's obligations under this Agreement; provided, however, that in certain limited circumstances, the liability of Seller may be satisfied through a direct claim by Purchaser against, and shall be guaranteed to Purchaser by, Guarantor pursuant to the terms of that certain Guaranty attached as **Exhibit M** (the "**Guaranty**"). The executed Guaranty shall be delivered by Seller to Purchaser within three (3) business days after date of execution and delivery of this Agreement by Seller. Failure of Seller to deliver the Guaranty within such time period shall be a Seller Default hereunder.

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13.2. The parties agree that, because the Lease will remain in full force and effect if Purchaser defaults in its obligation to purchase the Property at Closing pursuant to the terms of this Agreement, Seller's damages will be limited to compensation for its expenses and efforts associated with attempting to proceed with this transaction. Thus, Purchaser and Seller agree that, provided Seller is ready, willing and able to close and Purchaser fails to close hereunder, then (a) this Agreement shall terminate and the Lease shall continue in full force and effect, and (b) Purchaser shall be obligated to reimburse Seller for all reasonable, out of pocket third party expenses incurred by Seller in connection with performing its obligations under this Agreement (including reasonable attorneys' fees), not to exceed One Hundred Thousand Dollars (\$100,000.00) in the aggregate (the "**Reimbursement Amount**"). Seller shall not be entitled to any other rights or remedies against Purchaser as a result of Purchaser's default hereunder, and in no event whatsoever shall Purchaser be liable to Seller for damages or otherwise on account of any default by Purchaser hereunder. Further, Seller shall not be entitled to the Reimbursement Amount for termination of this Agreement occurring for any reason other than Purchaser's default. Purchaser's payment of the Reimbursement Amount pursuant to this Section shall be Seller's sole and exclusive remedy at law or in equity. Seller waives any and all equitable remedies, including, without limitation, the right to specific performance of this Agreement.

13.3. In connection with any effort by Purchaser to effectuate the transaction contemplated hereby through a synthetic lease or other off-balance sheet type transaction, Purchaser shall promptly provide to Seller, once it has received a written commitment for financing of a synthetic lease or other off-balance sheet financing, written notice of same and a list of the material conditions that are required to be satisfied in order to close thereunder. Purchaser shall not be entitled to claim a Material Seller Default in relation to satisfying the requirements of Purchaser's synthetic lessor unless (i) Seller was made aware of the specific requirements with which it was required to comply, (ii) such requirements are consistent in all material respects with the requirements and obligations imposed upon Seller under this Agreement and under the Lease, and (iii) such requirements are within Seller's reasonable control. Without limiting the generality of the foregoing, Seller will cooperate in good faith (at no material cost to Seller) in order to enable Purchaser to structure the acquisition as a synthetic lease or other form of off-balance sheet type transaction. For purposes of this subsection, the term Seller shall include "Seller's Affiliates."

13.4. The limitations on recovery of damages from either party to the other under this Agreement shall not apply to any reasonable costs of collection (including any reasonable attorney's fees) incurred by the prevailing party in any legal action to enforce its rights and remedies under this Agreement; and in the event any legal action is brought to enforce any applicable provision of this Agreement, the prevailing party in such legal action shall have the right to recover from the non-prevailing party its reasonable attorney's fees and court costs.

13.5 (a) Within twenty (20) days after Purchaser notifies Seller of the Estimated Closing Date and Commitment Expiration Date as set forth in Section 11.1, Seller shall provide a written notice to Purchaser indicating the following: (i) any representations or warranties under this Agreement which Seller then knows to be untrue in any material respect, irrespective of the cause; (ii) any conditions precedent to Purchaser's obligation to close

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hereunder which Seller knows would not be satisfied if Closing were to proceed as of the Estimated Closing Date, irrespective of the cause; and (iii) any other Material Seller

Default which is then known to Seller. In the event any such matter disclosed in such written notice would, in Purchaser's good faith opinion, constitute a Material Seller Default hereunder, Purchaser shall so notify Seller in writing promptly thereafter.

(b) Purchaser and Seller agree to act at all times in good faith in the performance of their respective obligations, and in the enforcement of their respective rights, under this Agreement, in furtherance of the mutual goal of consummating the purchase and sale of the Property as contemplated hereby.

14. Brokers. Each party hereby represents and warrants to the other that it has not engaged, dealt with or otherwise discussed this transaction with any broker, agent or finder other than Jones Lang LaSalle Americas, Inc. ("**JLL**"). VeriSign, Inc., in its individual capacity *i.e.*, but not any COPT Entity), shall pay any broker's commission due to JLL for the transaction contemplated by this Agreement. Each party agrees to indemnify and hold the other harmless from and against any claim arising out of a breach of the foregoing representations. The cap in Section 13.1 above shall not apply to the indemnification obligations under this Section 14.

15. Miscellaneous.

15.1. The terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors, legal representatives and permitted assigns. Purchaser shall have the absolute and unfettered right, by giving Seller notice on or before the Closing Date, to assign this Agreement at (or, if required by a synthetic lease or other off-balance sheet transactions, prior to) Closing and to require Seller to convey the Property at Closing in accordance with this Agreement to any person or entity designated by Purchaser in such notice (each, a "**Permitted Assignee**"), provided: (i) Seller's consent to the foregoing shall be required (but shall not be unreasonably withheld, conditioned or delayed beyond five (5) days) unless (a) such designated entity is an affiliate of Purchaser, (b) such assignment is made as a part of a sale leaseback, synthetic leasing, off-balance sheet financing or other financing arrangement pertaining to the Property, or (c) any of (1) Corporate Office Properties Trust ("**COPT**"), (2) Corporate Office Properties, L.P. ("**COPLP**"), (3) COPT Acquisitions, Inc., a wholly-owned subsidiary of COPT, or (4) any entity controlled by, controlling or under common control with COPT or COPLP in which either COPT or COPLP shall have at least a 10% equity ownership interest (any of subclauses (1) through (4), a "**COPT Entity**"); and provided further that (ii) such assignment shall not in any way constitute an assignment of, nor relieve Purchaser of any obligations under, the Lease so long as the same stays in effect, and (iii) such assignment shall not in any way relieve Purchaser of its obligations and liability under this Agreement; provided, however, that in the case of an assignment under Section 15.1(i)(c) only, Seller shall release Purchaser hereunder if such obligations and liabilities are expressly assumed in writing by such Permitted Assignee. Upon any assignment of this Agreement by Purchaser to a designee for purposes of facilitating a synthetic lease or other off-balance sheet financing, Purchaser shall not be obligated to assign the right to receive the payments described in Section 11.9, from Seller, but may retain the right to receive such

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payments. Notwithstanding anything in this Agreement or the Lease to the contrary, Seller shall not have the right to assign this Agreement or sell or otherwise transfer any portion of the Property without Purchaser's prior written consent in Purchaser's sole and absolute discretion.

15.2. Whenever any notice is required or permitted hereunder such notice shall be in writing and either (a) sent by certified mail, postage prepaid, return receipt requested, or (b) given established overnight commercial courier for delivery on the next business day with delivery charges prepaid or duly charged, or (c) personally hand-delivered, to the addresses set forth below:

As to Seller: TST Waterview I, L.L.C.
c/o Tishman Speyer Properties, L.P.
8270 Greensboro Drive
Suite 810
McLean, VA 22102
Attn: Regional Director

and: Tishman Speyer Properties, L.P.
520 Madison Avenue
New York, NY 10022
Attn: General Counsel

and: Tishman Speyer Properties, L.P.
520 Madison Avenue
New York, NY 10022
Attn: Chief Financial Officer

and: Hogan & Hartson, L.L.P.
8300 Greensboro Drive
McLean, Virginia 22102
Attn: Dennis K. Moyer, Esq.

As to Purchaser: VeriSign, Inc.
487 E. Middlefield Road
Mountain View, CA 94043
Attn: Jade Dauser

with copies to: VeriSign, Inc.
487 E. Middlefield Road
Mountain View, California 94043
Attn: Veronica Curet, Esq.

and: VeriSign, Inc.
21355 Ridgetop Circle
Dulles, Virginia 20166

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Attn: Bobby Turnage, Esq.

and: Jones Lang LaSalle Americas, Inc.
8484 Westpark Drive, Suite 710
McLean, Virginia 22102
Attention: A. Jefferson Groh

Senior Vice President

and: Piper Rudnick LLP
1200 Nineteenth Street, N.W.
Washington, D.C. 20036-2412
Attn: Jeffrey R. Keitelman, Esq.

As to Escrow Agent: Anchor Title Insurance Company
10715 Charter Drive
Suite 100
Columbia, Maryland 21044
Attn: M. Charlotte Powel

All notices hereunder shall be deemed effective upon the earlier to occur of actual receipt or refusal of delivery, irrespective of the manner of delivery.

15.3. Seller and Purchaser agree to execute, acknowledge and deliver any further agreements, documents, certificates or instruments that are reasonably necessary to carry out the transaction contemplated by and consistent with the terms of this Agreement, whether before or after Closing.

15.4. No amendment to this Agreement shall be binding on Seller or Purchaser unless such amendment is in writing and executed by both Seller and Purchaser. Escrow Agent's execution of an amendment shall not be required except to the extent such amendment specifically affects Escrow Agent's rights and obligations under this Agreement.

15.5. This Agreement and all transactions hereunder shall be governed by the laws of the Commonwealth of Virginia without regard to the application of choice of law principles. The rule that an Agreement should be construed against the party drafting it shall not apply to this Agreement because both parties have played a significant role in negotiating and drafting this Agreement.

15.6. All representations, warranties, covenants and indemnities contained in this Agreement shall survive the Closing indefinitely (subject to any applicable statute of limitations); provided any provision which, by its terms, includes a specific survival time limitation, shall survive only for the period corresponding to such time limitation.

15.7. Time is of the essence of each and every provision of this Agreement. However, if the final date of any period which is set out in any provision of this Agreement falls

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on a Saturday, Sunday or legal holiday under the laws of the United States or the Commonwealth of Virginia then, and in such event, such period shall be extended to the next day that is not a Saturday, Sunday or legal holiday.

15.8. If any term, covenant or condition of this Agreement is held to be invalid or unenforceable in any respect, such invalidity or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

15.9. All risk of loss to the Property occurring prior to the Closing, and all liabilities and expenses arising from the Property with respect to any period prior to the Closing shall be borne and paid for by Seller, except as otherwise provided in Section 9, above.

15.10. The date on which Seller and Purchaser have executed and delivered this Agreement shall be deemed the "**Effective Date**" and shall be inserted on the first page of this Agreement.

15.11. A short form memorandum of this Agreement may be recorded at any time after the Effective Date. Seller acknowledges that Purchaser, at Purchaser's expense, may, but shall not be obligated to, record a short form memorandum in form reasonably acceptable to Seller and Purchaser. In the event this Agreement is terminated and a memorandum has been recorded, Seller and Purchaser agree to execute, notarize and record a release of such memorandum upon demand by Seller, and same shall be at Seller's cost. Notwithstanding the foregoing, if the Permitted Assignee is a COPT Entity no memorandum will be required.

15.12. This Agreement may be executed in counterparts, each of which shall be deemed an original document, and all of which together shall constitute one and the same instrument.

15.13. This Agreement (and any document referenced herein to be incorporated herein, such as the Lease) contains the entire agreement of the parties and supersedes all prior oral and written agreements, negotiations, letters of intent, proposals, representations, warranties, covenants and discussions between the parties. In the event of any conflict between the terms and provisions of this Agreement and any document referenced herein to be incorporated, such as the Lease, the terms and provisions of this Agreement shall control.

15.14. Headings in this Agreement are used for convenience only and shall not be considered when construing this Agreement.

15.15. EACH PARTY HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT BY EITHER PARTY IN CONNECTION WITH ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR THE RELATIONSHIP OF SELLER AND PURCHASER HEREUNDER. EACH PARTY HEREBY CONSENTS TO SERVICE OF PROCESS AND ANY PLEADING RELATING TO ANY SUCH ACTION, PROCEEDING,

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CLAIM OR COUNTERCLAIM AT THE ADDRESS SET FORTH FOR SUCH PARTY IN SECTION 15.2 HEREOF PROVIDED HOWEVER, THAT NOTHING HEREIN SHALL BE CONSTRUED AS REQUIRING SUCH SERVICE AT SUCH ADDRESS.

15.16. Purchaser and Seller shall maintain strict confidentiality of all aspects of this Agreement and associated negotiations and inspections, including without limitation, any information obtained through the due diligence process. Except as may be required by law or court order, neither Purchaser nor Seller shall divulge any information to other persons or entities, including without limitation, appraisers, real estate brokers or competitors of Seller or Purchaser. Notwithstanding the foregoing, Purchaser and Seller shall be permitted to divulge such information, on a need-to-know basis, to attorneys, engineers, consultants, lenders, investors and/or experts retained by Purchaser or Seller who agree to keep such matters confidential (collectively, "**Consultants**"). After Closing, Seller specifically agrees not to use Purchaser's name, or state that the Property has been sold or acquired or words of similar import, it being understood that the conveyance to be effectuated hereby is intended to be a synthetic lease or similar off-balance sheet type transaction. Seller acknowledges the sensitivities involved with same and agrees that any press or similar release will be made only in a form approved in advance by Purchaser and Seller. The provisions of this paragraph shall survive Closing and any termination of this Agreement. Notwithstanding anything in this Agreement to the contrary, Purchaser shall have the right to divulge any information with respect to this Agreement and the transactions contemplated herein to any Permitted

Assignee and any Consultant of any Permitted Assignee. Further notwithstanding the foregoing, Seller acknowledges that Purchaser is affiliated with a publicly-held corporation, the securities of which are traded on a national securities exchange. Seller further acknowledges 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 material terms hereof, and Seller agrees not to unreasonably withhold its consent to any such press release and consents to all additional statements and disclosures Purchaser may reasonably make in responding to inquiries arising as a result of any such press release.

15.17. Notwithstanding anything in this Agreement to the contrary, if a synthetic lessor requires, as a condition of closing (and only after committing in writing to make a loan to Purchaser or Purchaser's designee as necessary to satisfy the requirements for a synthetic lease or other off-balance sheet financing) that modifications to this Agreement be obtained, and provided that such modifications (a) do not increase or adversely modify, other than in a *de minimis* fashion, either Seller's or Guarantor's rights, obligations and liabilities as set forth herein (or in the Guaranty, as applicable), and (b) do not decrease the sums to be paid to Seller under this Agreement, then Seller shall not unreasonably decline to execute, acknowledge and deliver an amendment to this Agreement evidencing such modifications within ten (10) days after Seller's receipt thereof.

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16. Arbitration of Certain Disputes.

16.1. If arbitration is specifically agreed upon hereunder as a dispute resolution procedure, the arbitration shall be conducted as provided in this Section. All arbitration proceedings shall be conducted on an expedited basis according to the Commercial Arbitration Rules of the American Arbitration Association. No action at law or in equity in connection with any dispute which is expressly made subject to arbitration in this Agreement shall be brought until arbitration hereunder shall have been waived, either expressly or pursuant to this Section (or if Escrow Agent submits a disputed to a judicial determination, as provided for above). The judgment upon the award rendered in any arbitration hereunder shall be final and binding on both parties hereto and may be entered in any court having jurisdiction thereof. During any arbitration proceeding pursuant to this Section, the parties shall continue to perform and discharge all of their respective obligations under Section 11, except as otherwise provided herein.

16.2. All disputes that are specifically required to be arbitrated in accordance with this Agreement shall be limited to the particular matters in dispute as established under the various written objection notice procedures set forth herein. All disputes that are specifically required to be arbitrated shall be raised by notice to the other party and Escrow Agent, which notice shall state with particularity the nature of the dispute and the demand for relief, making specific reference to the provisions alleged to have given rise to the dispute. The notice shall also refer to this Section and shall state whether or not the party giving the notice demands arbitration under this Section. Within ten (10) days of any demand for arbitration, each of Purchaser and Seller shall appoint one (1) arbitrator, and within five (5) days of their appointment, the two (2) arbitrators thus selected shall jointly select a third (3rd) arbitrator. All arbitrators shall have at least ten (10) years' experience in commercial real estate construction or legal matters, as applicable, to act as arbitrator hereunder. If either party fails to select an arbitrator within the initial ten (10) day period, or if the two (2) arbitrators are unable to agree upon a third (3rd) arbitrator, then, upon the request of either party, the remaining arbitrator(s) shall be appointed by The American Arbitration Association. The arbitration proceedings shall take place at a mutually acceptable location in the Washington, D.C./Northern Virginia metropolitan areas.

16.3. Within three (3) days after a matter is submitted to arbitration, each side shall make a written presentation to the arbitrator(s) (which may be a joint presentation or an independent presentation). The arbitrator(s) and the parties shall then schedule a meeting as soon thereafter as is reasonably possible, for any final exchange of information, responses to the other side's submission, and discussion and mediation bearing on the matters in dispute. As soon as reasonably practicable after that, and, if at all possible, no later than ten (10) business days after the matter was first referred to arbitration, the arbitrator(s) shall prepare a written determination resolving the dispute (e.g., whether the objection to a Requisition or Purchaser Requisition is or is not sustained and to what extent, and/or whether or not the delay in funding a Requisition or Purchaser Requisition constitutes a Tenant Delay or Landlord Delay, and to what extent) which determination shall be binding on the parties. The parties shall divide equally any fees or expenses charged by the arbitrator(s) in connection with rendering such decision.

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16.4. When resolving any dispute, the arbitrator(s) shall apply the pertinent provisions of this Agreement and the Work Agreement without departure therefrom in any respect. The arbitrator shall not have the power to change any of the provisions of this Agreement or the Work Agreement, but this Section shall not prevent in any appropriate case the interpretation, construction and determination by the arbitrator(s) of the applicable provisions of this Agreement or the Work Agreement to the extent necessary in applying the same to the matters to be determined by arbitration.

17. Tax Deferred Exchange.

Seller, at the request of Purchaser, agrees to cooperate with Purchaser so that Purchaser may acquire the Property in a tax-deferred exchange pursuant to Section 1031 of the Internal Revenue Code (the "**Exchange Transaction**"). In order to implement such Exchange Transaction, Purchaser may, upon written notice to Seller, assign its rights, but not its obligations, under this Agreement to a third party designated by Purchaser to act as a qualified intermediary (as such phrase is defined in applicable Internal Revenue Service regulations), and Seller agrees to perform its obligations under this Agreement as to any such qualified intermediary. Notwithstanding the foregoing, Seller shall not be required, solely for the purpose of Seller's cooperation related to Purchaser's Exchange Transaction, to incur any other cost, expense, obligation or liability whatsoever. Purchaser shall in all events be responsible for all incremental costs and expenses related to the Exchange Transaction, and shall fully indemnify, defend and hold Seller harmless from and against any and all liability, claims, damages, expenses (including reasonable attorneys' fees), proceedings and causes of actions of any kind or nature whatsoever actually incurred by Seller and solely attributable to such Exchange Transaction. The provisions of the immediately preceding sentence shall survive Closing and the transfer of title to the Property to Purchaser. In no event whatsoever shall the Closing be delayed because of any delay relating to the Exchange Transaction.

18. SEC Reporting Requirements.

For the period commencing on the Effective Date and continuing through the first anniversary of the Closing Date, and without limitation of other document production otherwise required of Seller hereunder, Seller shall, from time to time, upon reasonable advance written notice from Purchaser, provide Purchaser and its representatives, with (i) all financial, leasing and other information pertaining to the period of Seller's ownership and operation of the Property, which information is relevant and reasonably necessary, in the opinion of Purchaser's outside, third party accountants (the "**Accountants**"), to enable Purchaser and its Accountants to prepare financial statements and to conduct audits of such financial statements in accordance with generally accepted auditing standards, such that Purchaser shall be in compliance with any or all of (a) Rule 3-05 or 3-14 of Regulation S-X of the Securities and Exchange Commission (the "**Commission**"), as applicable; (b) any other rule issued by the Commission and applicable to Purchaser; and (c) any registration statement, report or disclosure statement filed with the Commission by, or on behalf of Purchaser; and (ii) a representation letter, signed by the individual(s) responsible for Seller's financial reporting, as prescribed by generally accepted auditing standards promulgated by the Auditing Standards Division of the American Institute of

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Certified Public Accountants, which representation letter may be required by the Accountants in order to render an opinion concerning Seller's financial statements. Notwithstanding the foregoing, Seller shall not be required, solely for the purpose of Seller's cooperation pursuant to this Section 18, to incur any cost, expense, obligation or liability, whatsoever, all of which shall be borne by Purchaser.

19. VeriSign's Representation and Warranty.

VeriSign, Inc. represents and warrants to Seller, as of the Effective Date, that the Lease is in full force and effect, and VeriSign, Inc. has no knowledge of any actual or threatened default by Seller under the Lease.

[Signature Page Follows.]

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IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed on the dates set forth beneath their respective signatures below.

PURCHASER:

VERISIGN, INC., a Delaware corporation

By: /s/ Dana Evan
Name: Dana Evan
Title: Executive Vice President

SELLER:

TST WATERVIEW I, L.L.C., a Delaware limited liability company

By: _____
Name: _____
Title: _____

ESCROW AGENT:

ANCHOR TITLE INSURANCE COMPANY, a Maryland corporation, as agent for Tigor Title Insurance Company (executing not as a party hereto but solely to the extent contemplated by the specific provisions hereof)

By: _____
Name: _____
Title: _____

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IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed on the dates set forth beneath their respective signatures below.

PURCHASER:

VERISIGN, INC., a Delaware corporation

By: _____
Name: _____
Title: _____

SELLER:

TST WATERVIEW I, L.L.C., a Delaware limited liability company

By: /s/ Burton Lehman
Name: BURTON LEHMAN
Title: VICE PRESIDENT

ESCROW AGENT:

ANCHOR TITLE INSURANCE COMPANY, a Maryland corporation, as agent for Tigor Title Insurance Company (executing not as a party hereto but solely to the extent contemplated by the specific provisions hereof)

By: _____
Name: _____
Title: _____

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JOINDER OF GUARANTOR

Guarantor hereby executes this Agreement, as of the day and year first written above, for the purpose of evidencing its agreement (i) to be bound by the provisions of Section 13.1(d) of this Agreement and (ii) to execute and deliver to Purchaser the Guaranty attached as Exhibit M hereto.

Guarantor's liability for its obligations under the Agreement shall be limited to Guarantor's assets (including the net proceeds of insurance, condemnation and sale of any portion thereof), and Purchaser shall not look to any property or assets of any partner, member, shareholder, director, officer, principal, employee or agent, directly and indirectly, of Guarantor or any Seller Affiliate (as defined in the Agreement) (collectively, the "**Guarantor Parties**") in seeking either to enforce Guarantor's obligations under the Agreement or to satisfy a judgment for Guarantor's failure to perform such obligations; and none of the Guarantor Parties shall be personally liable for the performance of Guarantor's obligations under this Agreement.

**TISHMAN SPEYER/TRAVELERS REAL
ESTATE VENTURE, L.P.**

By: Tishman Speyer/ Travelers Associates, its general partner
By: TSCE Real Estate Venture, L.L.C., a general partner

By: /s/ Burton Lehman
Name: BURTON LEHMAN
Title: VICE PRESIDENT

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EXHIBIT A

PROPERTY DESCRIPTION – BUILDING PARCEL

LEGAL DESCRIPTION OF WATERVIEW I

Beginning at an iron pipe set marking the intersection of the southeasterly right-of-way line of Centreville Road (Route 657) and the southerly right-of-way line of the Dulles Access and Toll Road (Route 267);

thence with said right-of-way line of the Dulles Access and Toll Road, the following five (5) courses:

S 69° 43' 30" E, 135.89 feet to an iron pipe found

S 72° 21' 11" E, 275.02 feet to an iron pipe set

S 69° 04' 14" E, 434.33 feet to an iron pipe set;

S 79° 08' 10" E, 255.41 feet to an iron pipe set marking the point of curvature of a non-tangent curve to the left and

48.14 feet along the arc of said curve having a radius of 8,794.40 feet and a chord bearing and chord of S68° 28' 07" E, 48.14 feet respectively,

to an iron pipe set marking the most northerly corner of now or formerly National Rural Utilities Cooperative Finance Corporation;

thence departing said Dulles Access and Toll Road and with the northerly lines of said National Rural Utilities Cooperative Finance Corporation the following four (4) courses:

S 03° 40' 38" E, 137.16 feet to an iron pipe set marking the point of curvature of a nontangent curve to the left;

224.74 feet along the arc of said curve having a radius of 862.05 feet and a chord bearing and chord of N 82° 39' 10" W, 224.10 feet respectively, to an iron pipe set;

S 07° 10' 13" W, 61.29 feet to an iron pipe set and

S 87° 37' 34" W, 300.45 feet

to an iron pipe set in the northerly right-of-way line of Woodland Park Road (Route 7806), said point marking the point of curvature of a non-tangent curve to the left;

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thence with the said right-of-way line of Woodland Park Road

86.50 feet along the arc of said curve having a radius of 55.00 feet and a chord bearing and chord of S 88° 47' 10" W, 77.86 feet respectively,

to an iron pipe set marking the northeasterly corner of TST Woodland, L.L.C.;

thence departing said Woodland Park Road and with the northerly lines of said TST Woodland, L.L.C. the following eight (8) courses:

N 46° 16' 08" W, 45.22 feet to a point;

S 53° 38' 47" W, 131.13 feet to a point;

N 87° 14' 32" W, 405.49 feet to a point;

N 65° 26' 08" W, 84.93 feet to a point;

S 84° 34' 15" W, 175.57 feet to a point;

S 29° 04' 19" W, 70.64 feet to a point;

S 89° 27' 30" W, 84.90 feet to a point and

N 53° 11' 58" W, 37.00 feet

to an iron pipe set in the aforementioned southeasterly right-of-way line of Centreville Road marking the northwesterly corner of said TST Woodland, L.L.C.;

thence with the said right-of-way line of Centreville Road the following three (3) courses:

N 36° 48' 02" E, 334.78 feet to an iron pipe set;

N 51° 13' 27" E, 52.19 feet to an iron pipe set and

N 36° 47' 48" E, 352.70 feet

to the point of beginning.

Containing 497,009 square feet or 11.40976 acres of land.

AGREEMENT TO ASSIGN/ASSUME PURCHASE AND SALE AGREEMENT

Assignee: COPT ACQUISITIONS, INC.,
a Delaware corporation

Assignor: VERISIGN, INC.,
a Delaware corporation

Escrow Agent: ANCHOR TITLE INSURANCE COMPANY,
a Maryland corporation, as agent for Ticor Title Insurance Company

Property: Waterview I at Woodland Park, Herndon, Virginia

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EXHIBITS

A – Form of Assignment and Assumption of PSA

B – VRSN Replacement Lease Parameters

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AGREEMENT TO ASSIGN/ASSUME PURCHASE AND SALE AGREEMENT

This AGREEMENT TO ASSIGN/ASSUME PURCHASE AND SALE AGREEMENT (this “**Agreement**”) is made and entered into as of May 15, 2003 (being the “Effective Date”, as such term is defined herein), by and among: COPT ACQUISITIONS, INC., a Delaware corporation (“**Assignee**”); VERISIGN, INC., a Delaware corporation (“**Assignor**”); and ANCHOR TITLE INSURANCE COMPANY, a Maryland corporation, as agent for Ticor Title Insurance Company (“**Escrow Agent**”).

RECITALS

A. Pursuant to that certain Deed of Lease, dated as of July 19, 2001 (the “**VRSN Lease**”), TST Waterview I, L.L.C., a Delaware limited liability company (“**TST**”), as landlord, leased to Assignor, as tenant, certain real property, together with a thirteen (13) story office building constructed by TST thereon and other improvements, rights and benefits associated therewith (including, without limitation, the Parking Garage constructed by TST immediately adjacent thereto) located in Herndon, Fairfax County, Virginia, and commonly known as Waterview I at Woodland Park. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the PSA (as defined below).

B. Pursuant to Section 32.1 of the VRSN Lease, TST granted to Assignor an option (the “**Primary Purchase Option**”) to purchase the Property (as defined in Section 1 below), subject to the terms and conditions set forth in said Section 32.1. Assignor has elected to exercise its Primary Purchase Option. TST and Assignor have, immediately prior to the execution of this Agreement, entered into an Agreement of Purchase and Sale and Joint Escrow Instructions, dated of even date herewith (the “**PSA**”), whereby TST has agreed to sell the Property to Assignor (for itself and on behalf of its designees, successors and assigns).

C. Assignee desires to purchase the Property, and Assignor desires to cause the Property to be conveyed to Assignee, pursuant to the terms of this Agreement (and subject to the terms and conditions of the PSA). The PSA provides for the direct conveyance of the Property to Assignee, such that Assignor never takes title to the Property and Assignee takes title directly from TST. Accordingly, Assignee desires to purchase and take a full assignment of the PSA from Assignor so that Assignee can purchase the Property from TST, all pursuant to the terms and conditions of this Agreement.

D. In connection with this transaction, Assignor, as tenant, and Assignee, as landlord, are entering into that certain Replacement Lease meeting the parameters set forth in Exhibit A (the “**VRSN Replacement Lease**”), pursuant to which the VRSN Lease is being amended and restated.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

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1. **Purchase and Sale of PSA.**

Assignor agrees to sell, transfer and assign to Assignee, and Assignee agrees to purchase and assume from Assignor, the PSA (and all of Assignor’s rights and obligations thereunder), which assignment shall become effective at Closing by execution and delivery of the form of Assignment and Assumption of PSA attached hereto as Exhibit B (the “**Assignment Agreement**”) pursuant to the terms and conditions of this Agreement. Assignee represents and warrants that it has received and reviewed a copy of the PSA and acknowledges its sufficiency. Notwithstanding the foregoing, all personal property, fixtures and equipment located in the Building which are owned by Assignor shall remain the property of Assignor, and may be removed or replaced by Assignor at its sole discretion in accordance with the terms of the VRSN Replacement Lease.

2. **Purchase Price: Deposit.**

2.1 The purchase price to be paid by Assignee to TST at Closing for the purchase of the Building shall be Seventy One Million One Hundred Seventy Thousand Eighteen and 00/100 Dollars (\$71,170,018), all cash (the “**Assignment Purchase Price**”). In addition to the Assignment Purchase Price, Assignee shall also be responsible for the payment of all closing costs payable by Assignor pursuant to Section 10.3 of the PSA. At Closing, Assignor shall pay to TST the difference between the Assignment Purchase Price and the Purchase Price under the PSA. This transaction is not conditioned in any way on Assignee obtaining financing. Notwithstanding the foregoing, in the event Assignee and TST negotiate any reduction in the purchase price under the PSA that is intended to benefit Assignee, the Assignment Purchase Price will be reduced by the same amount.

2.2 Simultaneously with the execution and delivery of this Agreement, Assignee is depositing with Escrow Agent the sum of One Million Dollars (\$1,000,000) (the “**Earnest Money**”) in good funds, either by certified bank or cashier’s check or by federal wire transfer. Assignee’s federal tax identification number is 23-2946433. Escrow Agent shall hold the Earnest Money in an interest-bearing account in accordance with the terms and conditions of this Agreement. All interest accruing on such sum shall become a part of the Earnest Money and shall be distributed as Earnest Money in accordance with the terms of this Agreement. Upon the Closing, the Earnest Money shall be applied toward the Purchase Price. Escrow Agent may commingle funds received by it in escrow with escrow funds of others, and may, without limitation, deposit such funds in its custodial or escrow accounts with any reputable trust company, bank, savings bank, savings association, or other financial services entity. It is understood that Escrow Agent shall be under no obligation, except to the extent instructed in writing by Assignor and/or Assignee, to invest the funds deposited with it on behalf of any depositor, nor shall it be accountable for any earnings or incidental benefit attributable to the funds which may be received by Escrow Agent while it holds such funds. Deposits held by Escrow Agent shall be subject to the provisions of applicable state statutes governing unclaimed property. In the event of termination of this Agreement prior to Closing, Escrow Agent shall disburse the Earnest Money in accordance with the provisions of this Agreement governing such termination. In the event of any dispute between Assignor and Assignee regarding the

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disbursement of the Earnest Money, or in the event Escrow Agent shall receive conflicting demands or instructions with respect thereto, Escrow Agent shall withhold disbursement of the Earnest Money until such dispute is resolved. Alternatively, Escrow Agent shall be entitled to deposit the Earnest Money into a court of general jurisdiction in Fairfax County, Virginia, or the United States District Court for the Eastern District of Virginia, and to interplead Assignor and Assignee in connection therewith. Escrow Agent shall not be liable for any damage, liability or loss arising out of its services pursuant to this Agreement, except for damage, liability or loss resulting from the willful or negligent conduct of Escrow Agent or any of its officers or employees.

2.3 At Closing, Assignee shall pay, through the closing escrow established with Escrow Agent, the Purchase Price, as adjusted to reflect the closing adjustments and prorations provided for in this Agreement, which adjusted balance shall be payable by certified or cashier’s check or by bank wire transfer. Escrow Agent shall disburse all of the adjusted Purchase Price upon Closing pursuant to the Settlement Statement (as defined below).

3. **Documents to be Provided or Made Available by Assignor.**

Assignor shall make available to Assignee and its designees, for inspection and copying at Assignor’s offices in the metropolitan Washington, D.C. area, all of Seller’s Deliveries that are made available to Assignor by TST under the PSA.

4. **Review Period.**

4.1 Assignee shall have the right, at its sole option, to undertake, at Assignee’s cost and expense, a review and examination of all aspects of the Property and the transaction contemplated by this Agreement, subject to the rights and obligations of Assignor pursuant to the PSA and the VRSN Lease. Assignee shall repair any damage that it may cause by such tests or examination, and all such entries within areas of the Building or Real Property that are under construction (if any) shall be subject to any provisions in the VRSN Lease or Work Agreement requiring notice of entry and relating to Landlord Delay and Tenant Delay, as if Assignee were Tenant and Assignor were Landlord thereunder. Assignee’s obligation to repair such damage shall survive any termination of this Agreement. Assignee shall indemnify, defend and hold Assignor harmless from and against any and all costs (including reasonable attorneys’ fees and costs), damages and liabilities, causes of action, and threats thereof, incurred by Assignor as the result of damage to property or injury to persons caused by Assignee or its agents or contractors in carrying out its tests or studies.

4.2 Assignee, in its sole and absolute discretion, shall have the right to terminate this Agreement at any time and for any reason or no reason on or before 5:00 p.m. Eastern Standard Time on Friday, May 23, 2003 (the “**Review Period Expiration Date**”). If Assignee so elects to terminate this Agreement, then Assignee shall give written notice of such election to Assignor. Upon the giving of such termination notice, the Earnest Money shall be returned to Assignee by Escrow Agent, this Agreement shall terminate and all rights, obligations and liabilities of the parties hereunder shall be released and discharged (except for those

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obligations of either party which are specifically stated in this Agreement to survive any such termination). If Assignee fails to give such termination notice timely, then Assignee shall be deemed to have elected to proceed to Closing, subject only to the conditions specified in Section 8.1 hereof. So long as this Agreement shall remain in full force and effect, if Assignee elects not to terminate this Agreement by the Review Period Expiration Date, Assignor shall not terminate the PSA.

4.3 Assignee shall, at least twenty-four (24) hours prior to any entry onto the Property, in connection with its investigation of the Property prior to the Review Period Expiration Date or at any time thereafter, provide Assignor with sufficient evidence to show that Assignee and its agents or representatives who are to enter upon the Property are adequately covered by policies of insurance issued by a carrier reasonably acceptable to Assignor insuring Assignee, Assignor and Assignor’s advisors

and property manager against any and all liability arising out of Assignee's or its agents' or representatives' entry (including, without limitation, any loss or damage to the Property, with coverage in the amount of not less than \$5,000,000 per occurrence). Assignee agrees that it will cause any such person accessing the Property to be covered by not less than \$5,000,000 liability insurance insuring all activity and conduct of such person while exercising such right of access. Assignee represents and warrants that it carries not less than \$5,000,000 general liability insurance with a contractual liability endorsement which insures its indemnity obligations under this Agreement, which names Assignor and Assignor's advisors and property manager of the Property as additional insureds thereunder. The provisions of this Section shall survive Closing or any early termination of this Agreement.

5. **Title.**

Assignee shall accept title to the Property directly from TST pursuant to, and in the condition required by, the terms and conditions of the PSA.

6. **Representations and Warranties.**

6.1 **Assignor's Representations and Warranties.** Assignor hereby makes the following representations and warranties to Assignee, all of which are true in all material respects as of the Effective Date and which shall, as a condition precedent to Closing hereunder, be true in all material respects as of the Closing Date:

(a) Assignor is a corporation, duly organized, validly existing and in good standing under the laws of the State of Delaware and authorized to transact business in the Commonwealth of Virginia, and has full right, power and authority to execute, deliver and perform its obligations under this Agreement. The execution of this Agreement, the delivery of the Assignment Agreement and Assignor's performance of this Agreement and the transactions contemplated hereby have been duly authorized by the requisite action on the part of the Assignor. All persons or entities with the right or obligation to consent to the conveyance contemplated by this Agreement or to Assignor's entry into this Agreement, have consented to Assignor's entry into, and performance of, this Agreement.

(b) The execution and delivery of this Agreement, the consummation

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of the transactions contemplated hereby, and the performance of the terms hereof by Assignor will not result in a breach of any of the terms or provisions of, or constitute a default under, any agreement, indenture, organizational document or other instrument to which Assignor is a party or by which it, any of its assets is bound, nor, to Assignor's knowledge, any judgment, decree, order, or award of any court, governmental body or arbitrator, or of any law, rule, or regulation applicable to Assignor, in each instance in a manner which would or might impair Assignor's ability to perform its obligations under this Agreement.

(c) Assignor is not a "foreign person" as contemplated in Section 1445 of the Internal Revenue Code, as amended.

(d) Assignor (i) has not made any general assignment for the benefit of creditors, (ii) has not filed nor acquiesced in any petition in any court (whether or not pursuant to any statute of the United States or of any State) for any bankruptcy, reorganization, composition, extension, arrangement or insolvency proceedings relating to Assignor, (iii) has not made any application in any such proceedings for, nor acquiesced in, the appointment of a trustee, receiver or similar officer for it or all or any portion of its property, or (iv) is not a "debtor" in any voluntary or involuntary bankruptcy proceeding, or subject to any continuing jurisdiction from a prior such proceeding.

(e) Assignor has delivered to Assignee a true, correct and complete copy of the PSA, and has advised Assignee that Assignor and TST have entered into two separate correspondences, one in which TST has agreed to a reduction in the purchase price under the PSA, and the other in which Assignor has agreed to forfeit certain rights with respect to property adjacent to the Property. Other than such separate correspondences, there are no other documents executed between TST and Assignor relating to the PSA. Assignor is the owner of the PSA as purchaser and has not assigned the PSA to any other party.

(f) As of the date of this Agreement and as of the Closing Date, to Assignor's knowledge, no default after any permitted notice or cure period exists on the part of TST under the VRSN Lease, and to Assignor's knowledge, there exists no facts that, with the passage of time or the giving of notice, or both, would constitute a default thereunder.

(g) Pursuant to the PSA, Assignor has obtained consent from TST to assign the PSA to Assignee as contemplated herein, to the extent required.

(h) To Assignor's knowledge based solely upon the PSA, other than the items listed on Schedule 7.12 attached to the PSA, Final Completion (as defined in the VRSN Lease) by TST of the Base Building Work (as defined in the VRSN Lease) pursuant to the terms of the VRSN Lease has occurred. Assignor acknowledges and agrees that Assignee shall not be responsible for the payment to Assignor of any tenant improvement allowance due Assignor from TST under the VRSN Lease or for the completion of any tenant improvements required to be made by TST for the benefit of Assignor under the VRSN Lease.

All representations and warranties of Assignor set forth in this Section 6.1 are intended to and shall remain true and correct in all material respects as of the Closing and shall survive Closing

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for a period of one (1) year (meaning that any claims by Assignee with respect to such representations or warranties shall be commenced by written notice to Assignor within said one (1) year period and shall be diligently pursued thereafter, or shall be deemed to have expired and have been waived). Whenever in this Section 6 a representation of Assignor is based on the "Assignor's knowledge" or words of similar import, such reference shall be deemed to be to the actual knowledge of Jade Dauser, without investigation or inquiry of any kind other than such investigation as were actually conducted by such person(s). There shall be no personal liability to said individuals arising out of said representations or warranties (all liability therefrom being attributable to Assignor hereunder).

6.2 **Assignee's Representations and Warranties.** Assignee hereby makes the following representations and warranties to Assignor, all of which are true in all material respects as of the Effective Date and which shall, as a condition precedent to Closing hereunder, be true in all material respects as of the Closing Date:

(a) Assignee has the full right, power and authority to purchase the Property as provided in this Agreement and to carry out Assignee obligations hereunder, and all requisite action necessary to authorize Assignee to enter into this Agreement and to carry out its obligations hereunder have been, or by the Closing will have been, taken. The person signing this Agreement on behalf of Assignee is authorized to do so.

(b) There is no action, suit, arbitration, unsatisfied order or judgment, government investigation or proceeding pending against Assignee which, if adversely determined, could individually or in the aggregate materially interfere with the consummation of the transaction contemplated by this Agreement.

The representation and warranties of Assignee set forth in this Section 6.2 shall survive Closing for a period of one (1) year.

7. **Assignor's Covenants.**

7.1 Assignor hereby covenants and agrees as follows:

(a) Assignor shall promptly furnish or make available to Assignee all existing information pertaining to the Property reasonably requested by Assignee or its representatives to the extent in Assignor's possession, and shall continue after the Review Period to permit Assignee and its representatives to make inspections and tests of the Property, including all portions of the buildings, the leased space, and the parking areas subject to Assignee's covenants set forth in Section 4.1 above and the terms and conditions of the VRSN Lease and the PSA. Assignee expressly acknowledges that Assignor is a tenant of the Property and not the owner, and that Assignor's ability to provide access or information is limited to what TST, as owner, may allow.

(b) At all times prior to Closing, Assignor shall operate within the Property in a manner generally consistent with the manner in which Assignor has been operating within the Property. Assignor shall continue to perform its obligations under the VRSN Lease

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and other agreements relating to the Property of which it is a party.

(c) From the Effective Date through the Closing Date (or earlier termination of this Agreement), Assignor shall not enter into any agreement or lease, modify or terminate any agreement, lease, or other undertaking with respect to the Property or any part thereof, which will be binding upon Assignee after Closing or adversely affect the Property or Assignee, without the prior express written consent of Assignee, which shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Assignor shall be permitted to negotiate the Reciprocal Easement Agreement currently under negotiation between Assignor and TST, which Reciprocal Easement Agreement shall be subject to Assignee's approval, not to be unreasonably withheld, conditioned or delayed. Furthermore, Assignor shall be permitted to negotiate and execute any amendment to the Option Agreement or other documents relating to Assignor's interest in property other than the Property. Assignor shall consult with Assignee concerning any such other agreements.

8. Conditions.

8.1 Assignee's Conditions. The obligations of Assignee under this Agreement are subject to the satisfaction on or before the Closing Date, as such date may be extended pursuant to Section 8.2, of all of the following conditions, any of which may be waived by Assignee in its sole discretion, but only in writing:

(a) The representations and warranties of Assignor set forth in this Agreement shall be true and correct in all material respects as of the Closing Date (with appropriate modifications permitted under this Agreement or not adverse to Assignee).

(b) Assignor shall have delivered all of the items required to be delivered pursuant to Section 10.2(a).

(c) Assignor shall have performed and observed, in all material respects, all covenants to be performed and observed by it as of the Closing Date.

(d) All of the conditions to Closing under the PSA have been satisfied or waived such that the Closing thereunder can occur; provided, however, that in order for the closing condition set forth in this Section 8.1(d) to be satisfied, Assignor shall not waive any condition under the PSA without Assignee's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

8.2 Extension. If any condition described in Section 8.1 is not satisfied by the Closing Date, then Assignor shall have the right, at its option, to extend the Closing Date upon not less than five (5) days' notice to Assignee, provided that in no event shall Assignor extend the Closing Date beyond June 30, 2003 without Assignee's prior written consent. Such extension (if any) (i) shall be for the sole purpose of using reasonable and diligent efforts to cause any unsatisfied condition to be satisfied, and (ii) may be invoked as to one or as to more than one condition, and from time to time during such period through and including June 30, 2003.

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8.3 Assignor's Conditions. The obligation of Assignor to consummate the transaction hereunder shall be subject to the fulfillment on or before the date of Closing of all of the following conditions, any of which may be waived by Assignor in its sole discretion, but only in writing:

(a) Assignee shall have paid the Assignment Purchase Price as adjusted pursuant to and payable in the manner provided for in this Agreement.

(b) Assignee shall have delivered to all of the items required to be delivered pursuant to the terms of this Agreement, including but not limited to, those provided for in Section 10.2(b).

(c) The representations and warranties of Assignee set forth in this Agreement shall be true and correct in all material respects as of the Closing Date.

(d) Assignee shall have performed and observed, in all material respects, all covenants to be performed and observed by it as of the Closing Date.

(e) All of the conditions to Closing under the PSA have been satisfied or waived such that the Closing thereunder can occur.

9. Damage, Destruction and Condemnation.

In the event of any loss, damage or destruction to, or condemnation of, the Property or any part thereof ("**Loss**") prior to Closing for which Assignor has the right to terminate the PSA pursuant to Section 9 thereunder, Assignor shall not exercise its termination right unless directed to do so by Assignee, in which event this Agreement shall simultaneously terminate. In the event the PSA is not terminated as the result of such Loss, the PSA and this Agreement shall continue in full force and effect and Closing shall occur as contemplated hereunder, with no reduction in Assignment Purchase Price, provided that Assignee shall be entitled to any insurance or condemnation proceeds received by Assignor on account of such Loss.

10. Closing.

10.1 The date (the "**Closing Date**") on which the parties shall consummate the transaction contemplated hereby (the "**Closing**") shall be on or before June 16, 2003, with the parties endeavoring to close on or about June 2, 2003. The Closing shall be held at the offices of the law firm of Piper Rudnick LLP, 1200 Nineteenth Street, N.W., Washington D.C. 20036-3900 (unless the transaction is closed by mail/overnight courier into escrow with Escrow Agent, if agreed to by the parties). The Closing Date may be extended in accordance with Section 8.2 herein. Notwithstanding anything contained herein to the contrary, the parties agree to use commercially reasonable efforts to pre-close the transaction contemplated hereby (i.e., sign the documents into escrow) not less than three (3) business days immediately preceding the then-scheduled date of Closing.

parties shall commence a pre-closing in which the following shall occur

- (a) Assignor shall deliver or cause to be delivered to Escrow Agent the following original items and/or documents duly executed and acknowledged where appropriate:
- (i) Two counterparts of the Assignment Agreement;
 - (ii) A certificate to Assignee and the Title Company of non-foreign status confirming that Assignor is not a foreign person, and that Assignee is not required to withhold any part of the Assignment Purchase Price, pursuant to Section 1445 of the Internal Revenue Code of 1986, as amended (and if Assignor fails or refuses to provide such certificate, the Title Company or Escrow Agent shall have the right to make such deductions from Assignor's proceeds at Closing and to remit such amounts to the Internal Revenue Service as are required by the Federal Foreign Investment in Real Property Tax Act and the regulations promulgated thereunder);
 - (iii) Two counterparts of the VRSN Replacement Lease;
 - (iv) Any and all information required by the Title Company to comply with the real estate reporting requirements set forth in Section 6045(e) of the Internal Revenue Code of 1986, as amended;
 - (v) All property files and records received from TST;
 - (vi) The Settlement Statement (as defined in Section 10.6, below);
 - (vii) A certificate concerning Assignor's representations and warranties contained in this Agreement; and
 - (viii) Such other documents, instruments, affidavits and agreements as may be reasonably necessary or appropriate to complete the closing of the transaction contemplated hereby, or otherwise required by the terms of this Agreement (whether before or after Closing), provided the same do not modify the rights and obligations of Assignor under this Agreement in more than a *de minimis* manner.
- (b) Assignee shall deliver or cause to be delivered to Escrow Agent the following items and/or documents (duly executed and acknowledged where appropriate):
- (i) Assignee's share of closing and other costs and any fees payable under this Agreement, and the Assignment Purchase Price;
 - (ii) Two counterparts of the Assignment Agreement;
 - (iii) Any and all information required by the Title Company to comply with the real estate reporting requirements set forth in Section 6045(e) of the

Internal Revenue Code of 1986, as amended;

- (iv) The Settlement Statement;
- (v) Two counterparts of the VRSN Replacement Lease; and
- (vi) A certificate stating that each of Assignee's representations and warranties contained in this Agreement is true and correct in all material respects; and
- (vii) Such other documents, instruments, affidavits and agreements as may be reasonably necessary or appropriate to complete the closing of the transaction contemplated hereby, or otherwise required by the terms of this Agreement (whether before or after Closing), and provided the same do not modify the rights and obligations of Assignee under this Agreement in more than a *de minimis* manner.

(c) Assignee and Assignor each agrees to use commercially reasonable efforts to deliver the funds required of it at Closing by wiring the same to Escrow Agent so that the wire may be confirmed in time to allow Closing to occur as required hereunder.

(d) Upon (A) receipt of all items specified above, and (B) the satisfaction or written waiver of all conditions precedent to Closing, Escrow Agent shall close the transaction in accordance with written closing instructions not inconsistent herewith that Escrow Agent may receive from Assignee's and Assignor's respective legal counsel; provided, that in no event shall such instructions conflict with each other.

10.3 Assignee shall pay all costs allocated to the Purchaser under the PSA, including without limitation the costs and fees for title examination and title insurance, survey costs and the costs of recording any documents. Each party shall pay its own attorney's fees. The parties shall divide equally any escrow fees payable under this Agreement. Any other closing costs under this Agreement not set forth above shall be negotiated between the parties and allocated in a commercially reasonable fashion based on then current custom and practice.

10.4 At the Closing, Assignee and Assignor shall execute and deliver a settlement statement (the "**Settlement Statement**") which accurately reflects all of the payments, credits, charges, adjustments and prorations provided for herein. Escrow Agent shall prepare an initial draft of such Settlement Statement, and the parties will work together reasonably and in good faith to agree upon an approved Settlement Statement (and neither Assignor nor Assignee shall unreasonably withhold its agreement and consent to the Settlement Statement), at least two (2) business days prior to the scheduled Closing Date.

11. **Indemnification.**

11.1 Assignor agrees to indemnify, hold harmless and defend Assignee from and against all third-party claims, actual (non-consequential) damages, liabilities, costs and/or expenses (including reasonable attorneys' fees and court costs) (collectively, "**Claims**") incurred

or sustained by Assignee prior to Closing which Assignor, as tenant under the Lease, would have been liable for under the VRSN Lease, but was not due to the operation of Sections 32.4(c) and 32.4(d) of the VRSN Lease.

11.2 Assignee agrees to indemnify, hold harmless and defend Assignor from and against all Claims incurred or sustained by Assignor in connection with the following:

(a) The obligations of Assignee, as the owner of the Property, to the extent accruing under this Agreement on or after the Closing Date, except to the extent the same are Assignee's responsibility under the VRSN Lease or the VRSN Replacement Lease; and

(b) The performance or obligation, or the failure or refusal to perform or observe, any agreement or obligation of Assignor or Assignee under, pursuant to or in connection with the PSA or any term or provision thereof required to be performed by Assignor or Assignee thereunder, except to the extent caused by actions taken (or not taken, in cases where affirmative action was specifically required) by Assignor or Assignor's representatives.

11.3 The provisions of this Section 11 shall survive Closing or the earlier termination of this Agreement.

12. Remedies.

12.1 **Default by Assignee.** In the event that Assignee fails to consummate this Agreement for any reason other than Assignor's default or the permitted termination of this Agreement by either Assignor or Assignee as herein expressly provided, or if Assignee otherwise defaults under this Agreement, Assignor shall be entitled, as its sole remedy, to terminate this Agreement and receive the Earnest Money as liquidated damages for the breach of this Agreement, it being agreed between the parties hereto that the actual damages to Assignor in the event of such breach are impractical to ascertain and the amount of the Earnest Money is a reasonable estimate thereof. The foregoing liquidated damages provision of this Section shall not: (a) apply to Assignee's confidentiality obligations under this Agreement, nor shall Assignee be entitled to credit or offset the Earnest Money or any portion thereof against any damages suffered by Assignor by reason of Assignee's default with respect thereto; and (b) be deemed to limit Assignee's liability under any indemnity or breach of any covenant under this Agreement that is expressly stated to survive the Closing or early termination of this Agreement.

12.2 **Default by Assignor.** In the event that Assignor fails to consummate this Agreement for any reason other than Assignee's default or the permitted termination of this Agreement by Assignor or Assignee as herein expressly provided, Assignee shall be entitled, as its sole remedy, either (a) to receive the return of the Earnest Money, which return shall operate to terminate this Agreement and release Assignor from any and all liability hereunder, or (b) if available, to enforce specific performance of Assignor's obligation to execute the Assignment Agreement, it being understood and agreed that the remedy of specific performance shall not be available to enforce any other obligation of Assignor hereunder. Assignee expressly waives its rights to seek damages in the event of Assignor's default hereunder. Assignee shall be deemed to have elected to terminate this Agreement and receive back the Earnest Money if Assignee fails to

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file suit for specific performance against Assignor in a court having jurisdiction in the county and state in which the Property is located, on or before fifteen (15) days following the date upon which Closing was to have occurred. Notwithstanding the foregoing, if Assignor fails to consummate this Agreement as a result of Assignor's willful default, then in addition to any other rights and remedies set forth in this Section 12.2, Assignee shall be entitled to recover its actual out-of-pocket costs and expenses incurred in connection with this Agreement, including, without limitation, consultant fees, title insurance fees and surveying costs in an amount not to exceed One Hundred Thousand Dollars (\$100,000.00) in the aggregate.

13. Brokers.

Each party hereby represents and warrants to the other that it has not engaged, dealt with or otherwise discussed this transaction with any broker, agent or finder other than Jones Lang LaSalle Americas, Inc. ("**JLL**"). Assignor shall pay any broker's commission due to JLL for the transaction contemplated by this Agreement. Each party agrees to indemnify and hold the other harmless from and against any claim arising out of a breach of the foregoing representations. The cap in Section 12.2 above shall not apply to the indemnification obligations under this Section 13. The provisions of this Section 13 shall survive the Closing or the earlier termination of this Agreement.

14. Miscellaneous.

14.1 The terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors, legal representatives and permitted assigns. Assignee shall have the absolute and unfettered right, by giving Assignor notice at least five (5) days before the Closing Date, to assign this Agreement at Closing to Corporate Office Properties Trust ("**COPT**"), Corporate Office Properties, L.P. ("**COPLP**"), COPT Acquisitions, Inc., a wholly-owned subsidiary of COPT ("**COPT Inc.**") or any entity controlled by, controlling or under common control with COPT, COPLP or COPT Inc. and in which COPT, COPLP or COPT Inc. shall have at least a 10% equity ownership interest; provided that any such assignment shall not in any way relieve Assignee of its obligations and liability under this Agreement.

14.2 Whenever any notice is required or permitted hereunder such notice shall be in writing and either (a) sent by certified mail, postage prepaid, return receipt requested, or (b) given established overnight commercial courier for delivery on the next business day with delivery charges prepaid or duly charged, or (c) personally hand-delivered, to the addresses set forth below:

As to Assignor: VeriSign Inc.
487 E. Middlefield Road
Mountain View, California 94043
Attn: Jade Dauser

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with copies to: VeriSign, Inc.
487 E. Middlefield Road
Mountain View, California 94043
Attn: Veronica Curet, Esq.

and: Jones Lang LaSalle Americas, Inc.
8484 Westpark Drive, Suite 710
McLean, Virginia 22102
Attention: A. Jefferson Groh

and: Piper Rudnick LLP

1200 Nineteenth Street, N.W.
Washington, D.C. 20036-2412
Attn: Jeffrey R. Keitelman, Esq.

As to Assignee: COPT Acquisitions, Inc.
c/o Corporate Office Properties Trust
8815 Centre Park Drive, Suite 400
Columbia, Maryland 21045
Attn: Roger A. Waesche, Jr.
Senior Vice President

with copies to: Corporate Office Properties Trust
8815 Centre Park Drive, Suite 400
Columbia, Maryland 21045
Attn: Karen M. Singer
Associate General Counsel

As to Escrow Agent: Anchor Title Insurance Company
10715 Charter Drive, Suite 100
Columbia, Maryland 21044
Attn: M. Charlotte Powel

All notices hereunder shall be deemed effective upon the earlier to occur of actual receipt or refusal of delivery, irrespective of the manner of delivery.

14.3 Assignor and Assignee agree to execute, acknowledge and deliver any further agreements, documents, certificates or instruments that are reasonably necessary to carry out the transaction contemplated by and consistent with the terms of this Agreement, whether before or after Closing.

14.4 No amendment to this Agreement shall be binding on Assignor or Assignee unless such amendment is in writing and executed by both Assignor and Assignee. Escrow Agent's execution of an amendment shall not be required except to the extent such amendment specifically affects Escrow Agent's rights and obligations under this Agreement.

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14.5 This Agreement and all transactions hereunder shall be governed by the laws of the Commonwealth of Virginia without regard to the application of choice of law principles. The rule that an Agreement should be construed against the party drafting it shall not apply to this Agreement because both parties have played a significant role in negotiating and drafting this Agreement.

14.6 All representations, warranties, covenants and indemnities contained in this Agreement shall survive the Closing indefinitely (subject to any applicable statute of limitations); provided any provision which, by its terms, includes a specific survival time limitation, shall survive only for the period corresponding to such time limitation.

14.7 Time is of the essence of each and every provision of this Agreement. However, if the final date of any period which is set out in any provision of this Agreement falls on a Saturday, Sunday or legal holiday under the laws of the United States or the Commonwealth of Virginia then, and in such event, such period shall be extended to the next day that is not a Saturday, Sunday or legal holiday.

14.8 If any term, covenant or condition of this Agreement is held to be invalid or unenforceable in any respect, such invalidity or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

14.9 Assignor acknowledges that it has been informed by Assignee that Assignee is affiliated with a publicly-held corporation, the securities of which are traded on a national securities exchange and that Assignee 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 material terms hereof, and Assignor agrees not to unreasonably withhold its consent to any such press release and consents to all additional statements and disclosures Assignee may reasonably make in responding to inquiries arising as a result of any such press release.

14.10 The date on which Assignor and Assignee have executed and delivered this Agreement shall be deemed the "Effective Date" and shall be inserted on the first page of this Agreement.

14.11 Neither this Agreement, nor any memorandum thereof, may be recorded.

14.12 This Agreement may be executed in counterparts, each of which shall be deemed an original document, and all of which together shall constitute one and the same instrument.

14.13 This Agreement (and any document referenced herein to be incorporated herein, such as the PSA and the VRSN Lease) contains the entire agreement of the parties and supersedes all prior oral and written agreements, negotiations, letters of intent, proposals, representations, warranties, covenants and discussions between the parties. In the event of any

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conflict between the terms and provisions of this Agreement and any document referenced herein to be incorporated, the terms and provisions of this Agreement shall control.

14.14 Headings in this Agreement are used for convenience only and shall not be considered when construing this Agreement.

14.15 EACH PARTY HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT BY EITHER PARTY IN CONNECTION WITH ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR THE RELATIONSHIP OF ASSIGNOR AND ASSIGNEE HEREUNDER. EACH PARTY HEREBY CONSENTS TO SERVICE OF PROCESS AND ANY PLEADING RELATING TO ANY SUCH ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM AT THE ADDRESS SET FORTH FOR SUCH PARTY IN SECTION 15.2 HEREOF PROVIDED HOWEVER, THAT NOTHING HEREIN SHALL BE CONSTRUED AS REQUIRING SUCH SERVICE AT SUCH ADDRESS.

14.16 Assignee and Assignor shall maintain strict confidentiality of all aspects of this Agreement and associated negotiations and inspections, including without limitation, any information obtained through the due diligence process. Except as may be required by law or court order, neither Assignee nor Assignor shall divulge any information to other persons or entities, including without limitation, appraisers, real estate brokers or competitors of Assignor or Assignee. Notwithstanding the

foregoing, Assignee and Assignor shall be permitted to divulge such information, on a need-to-know basis, to attorneys, engineers, consultants, lenders, investors and/or experts retained by Assignee or Assignor who agree to keep such matters confidential. After Closing, Assignor specifically agrees not to use Assignee's name, or state that the Property has been sold or acquired or words of similar import. Assignor acknowledges the sensitivities involved with same and agrees that any press or similar release will be made only in a form approved in advance by Assignee and Assignor. The provisions of this paragraph shall survive Closing and any termination of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed on the dates set forth beneath their respective signatures below.

ASSIGNOR:

VERISIGN, INC., a Delaware corporation

By: /s/ Dana Evan
Name: Dana Evan
Title: Executive Vice President

ASSIGNEE:

COPT ACQUISITIONS, INC., Delaware corporation

By: _____
Name: _____
Title: _____

ESCROW AGENT/TITLE COMPANY:

ANCHOR TITLE INSURANCE COMPANY, a Maryland corporation, as agent for Ticor Title Insurance Company (executing not as a party hereto but solely to the extent contemplated by the specific provisions hereof)

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed on the dates set forth beneath their respective signatures below.

ASSIGNOR:

VERISIGN, INC., a Delaware corporation

By: _____
Name: _____
Title: _____

ASSIGNEE:

COPT ACQUISITIONS, INC., Delaware corporation

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

ESCROW AGENT/TITLE COMPANY:

ANCHOR TITLE INSURANCE COMPANY, a Maryland corporation, as agent for Ticor Title Insurance Company (executing not as a party hereto but solely to the extent contemplated by the specific provisions hereof)

By: _____
Name: _____
Title: _____

**ONE & TWO DULLES TECHNOLOGY CENTER
ONE, TWO & THREE RIDGEVIEW AT WESTFIELDS**

PURCHASE AND SALE AGREEMENT

BETWEEN

TCC DULLES TECH ASSOCIATES, LLC,

a Georgia limited liability company,

AND

PGI WESTFIELDS ASSOCIATES, LLC,

a Georgia limited liability company,

AS SELLER

AND

COPT ACQUISITIONS, INC.,

a Delaware corporation,

AS PURCHASER

As of April 14, 2003

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "**Agreement**"), made and entered into this 14th day of April, 2003 (the "**Effective Date**"), by and between **TCC DULLES TECH ASSOCIATES, LLC**, a Georgia limited liability company ("**Dulles Tech**"), and **PGI WESTFIELDS ASSOCIATES, LLC**, a Georgia limited liability company ("**Westfields**"; Dulles Tech and Westfields are sometimes collectively referred to herein as "**Seller**"), and **COPT ACQUISITIONS, INC.**, a Delaware corporation ("**Purchaser**").

WITNESSETH:

WHEREAS, Dulles Tech is the owner of a certain property consisting of those certain tracts or parcels of land lying and being in Fairfax County, Virginia and more particularly described on Exhibit A-1 attached hereto and made a part hereof by this reference, and the improvements thereon ("**DT Center**"); and

WHEREAS, Westfields is the owner of certain property consisting of those certain tracts or parcels of land lying and being in Fairfax County, Virginia, and more particularly described on Exhibit A-2 attached hereto and made a part hereof by this reference, and the improvements thereon ("**Ridgeview**");

WHEREAS, Dulles Tech and Westfields together desire to sell certain improved real property, as described above, commonly known as (a) "One & Two Dulles Technology Center" located at 2191 and 2195 Fox Mill Road, Herndon, Fairfax County, Virginia, containing a total of approximately 166,821 rentable square feet, and (b) "One, Two & Three Ridgeview at Westfields" located at 14900, 14840 and 14850 Conference Center Drive, Chantilly, Fairfax County, Virginia, containing a total of approximately 266,536 rentable square feet, together with certain related personal and intangible property related thereto, and Purchaser desires to purchase such real, personal and intangible property; and

WHEREAS, the parties hereto desire to provide for said sale and purchase on the terms and conditions set forth in this Agreement;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereto hereby covenant and agree as follows:

ARTICLE I

PURCHASE AND SALE

1.1 **Agreement of Purchase and Sale.** Subject to the terms and conditions hereinafter set forth, Seller agrees to sell and convey and Purchaser agrees to purchase the following:

(a) those certain parcels of real property located in Fairfax County, Virginia, more particularly described on Exhibit A-1 and Exhibit A-2 attached hereto and made a part hereof, together with all and singular the rights and appurtenances pertaining to such property, including any right, title and interest of Seller (if any) in and to (i) adjacent streets, alleys or rights-of-way, (ii) all easements, privileges and hereditaments, whether or not of record and (iii) all access, air, water, riparian, development, utility and solar rights (the property described in clause (a) of this Section 1.1 being herein referred to collectively as the "**Land**");

(b) the buildings, structures, fixtures and other improvements on the Land, including specifically, without limitation, that certain office building known as "Two Dulles Technology Center" and that certain office building known as "One Dulles Technology Center" located thereon and those certain office buildings known as "One, Two & Three Ridgeview at Westfields" located thereon (the property described in clause (b) of this Section 1.1 being herein referred to collectively as the "**Improvements**"; the Land and the Improvements are hereinafter sometimes collectively referred to as the "**Real Property**");

(c) all of Seller's right, title and interest in and to all tangible personal property upon the Land or within the Real Property, including specifically, without limitation, if any, all appliances, furniture, carpeting, draperies and curtains, tools and supplies, site plans, surveys, plans and specifications, marketing materials, floor plans and other items of personal property owned by Seller (excluding cash and software) used exclusively in connection with the operation of the Land

and the Improvements (except for any such items owned by tenants lawfully occupying the Improvements according to the provisions of any applicable Lease) (the property described in clause (c) of this Section 1.1 being herein referred to collectively as the “**Personal Property**”);

(d) all of Seller’s right, title and interest in and to all agreements listed and described on Exhibit B attached hereto and made a part hereof (the “**Lease and Commission Agreement Schedule**”), pursuant to which any portion of the Land or Improvements is used or occupied by anyone other than Seller and any guaranties applicable thereto (the property described in clause (d) of this Section 1.1 being herein referred to collectively as the “**Leases**”);

(e) all of Seller’s right, title and interest in and to (i), unless otherwise terminated pursuant to Section 5.4(g) of this Agreement, all assignable contracts and agreements (collectively, the “**Operating Agreements**”) listed and described on Exhibit C attached hereto and made a part hereof (the “**Operating Agreements Schedule**”), relating to the upkeep, repair, maintenance or operation of the Land, Improvements or Personal Property which shall extend beyond the Closing Date (as defined in Section 4.1 hereof), (ii) all assignable existing warranties and guaranties issued to Seller in connection with the Improvements or the Personal Property and (iii) all assignable permits, licenses, certificates of occupancy and governmental approvals which relate to the Land, Improvements, Personal Property, Leases or Operating Agreements (the

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property described in clause (e) and clause (f) of this Section 1.1 being sometimes herein referred to collectively as the “**Intangibles**”); and

(f) all of Seller’s right, title and interest in and to the use of tradenames or trademarks used in connection with the Property, if any, including, without limitation, the names “One Dulles Technology Center,” “Two Dulles Technology Center” and “One, Two & Three Ridgeview at Westfields” and any goodwill related to the Property.

1.2 **Property Defined.** The Land, the Improvements, the Personal Property, the Leases and the Intangibles related to both DT Center and Ridgeview are hereinafter sometimes referred to collectively as the “**Property**.”

1.3 **Permitted Exceptions.** The Property shall be conveyed subject to the matters which are, or are deemed to be, Permitted Exceptions pursuant to Article II (herein referred to as the “**Permitted Exceptions**”).

1.4 **Multiple Sellers.** Notwithstanding any other provision of this Agreement to the contrary, it is expressly acknowledged and agreed by Purchaser that Dulles Tech is the owner only of DT Center and the portion of the Improvements located thereon and the Personal Property, Leases, Operating Agreements and Intangibles related thereto. Likewise, it is expressly acknowledged and agreed by Purchaser that Westfields is the owner only of Ridgeview and the portion of the Improvements located thereon and the Personal Property, Leases, Operating Agreements and Intangibles related thereto. Whenever in this Agreement the obligations of Seller are set forth or Seller shall make a representation, warranty or certification, such obligations, warranties, representations and certifications of Seller shall be made by and binding upon Dulles Tech or Westfields, as the case may be, only as to that portion of the Property that it owns. Purchaser acknowledges that this Agreement has been entered into as a single agreement rather than two agreements as a matter of convenience and simplicity, and the liabilities and duties of Dulles Tech and Westfields hereunder shall be independent and several, and not joint, in the same manner as if each of Dulles Tech and Westfields had entered into a separate agreement with Purchaser for the Real Property owned by each party. Notwithstanding the foregoing, however, the purchase and sale of both DT Center and Ridgeview must occur simultaneously as part of a single transaction in accordance with the terms of this Agreement.

1.5 **Purchase Price.** Seller is to sell and Purchaser is to purchase DT Center for a purchase price equal to TWENTY-SIX MILLION NINE HUNDRED THOUSAND AND NO/100 DOLLARS (\$26,900,000.00), and Ridgeview for a purchase price equal to FORTY-EIGHT MILLION THREE HUNDRED THOUSAND AND NO/100 DOLLARS (\$48,300,000.00), for a total aggregate purchase price of **SEVENTY-FIVE MILLION TWO HUNDRED THOUSAND AND NO/100 DOLLARS (\$75,200,000.00)** (the “**Purchase Price**”).

1.6 **Payment of Purchase Price.** The Purchase Price, as increased or decreased by prorations and adjustments as herein provided, shall be payable hereof in full at Closing in cash by wire transfer of immediately available federal funds to a bank account designated by Seller in writing to Purchaser prior to the Closing (“**Seller’s Account**”).

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1.7 **Earnest Money.** Within two (2) business days of the Effective Date, Purchaser shall deposit with Anchor Title Insurance Company (the “**Escrow Agent**”), having its office at 10715 Charter Drive, Suite 100, Columbia, Maryland 21044, Attention: M. Charlotte Powel, President, the sum of **ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00)** (the “**Earnest Money**”) in good funds, by certified bank or cashier’s check or by federal wire transfer. The Escrow Agent shall hold the Earnest Money (and any Additional Deposit under Section 4.1 hereof) in an interest-bearing account in accordance with the terms and conditions of an escrow agreement in the form and substance of Exhibit D attached hereto entered into among Seller, Purchaser and Escrow Agent simultaneously with Purchaser’s deposit of the Earnest Money with Escrow Agent. All interest accruing on such sum shall become a part of the Earnest Money and shall be distributed as Earnest Money in accordance with the terms of this Agreement. Upon Purchaser’s deposit of the Earnest Money with the Escrow Agent, Purchaser shall cause Escrow Agent to deliver to Seller an insured closing letter executed by the Title Company (as hereinafter defined).

1.8 **Independent Consideration.** In addition to, and not in lieu of the delivery to Escrow Agent of the Earnest Money, Purchaser shall deliver to Seller, concurrently with Purchaser’s execution and delivery of this Agreement, Purchaser’s check, payable to the order to Seller, in the amount of One Hundred and No/100 Dollars (\$100.00). Seller and Purchaser hereby mutually acknowledge and agree said sum represents adequate bargained for consideration for Seller’s execution and delivery of this Agreement and Purchaser’s right to inspect the Property pursuant to Article III hereof. Said sum is in addition to and independent of any other consideration or payment provided for in this Agreement and is nonrefundable in all events.

1.9 **Ridgeview Proffer 9 Escrows.** Westfields and Purchaser hereby agree and acknowledge that Ridgeview is subject to those certain Proffers for Westfields, The International Corporate Center at Dulles, approved by the Board of Supervisors of Fairfax County in connection with the ordinance adopted in Rezoning Application Number 78-5-063 by the Board of Supervisors on November 25, 1985 (the “**Proffers**”). In connection with Proffer 9 of the Proffers (“**Proffer 9**”), Westfields and certain other adjacent landowners have escrowed with Fairfax County the anticipated cost of certain of the road improvements with respect to Westfields Boulevard and Stonecraft Boulevard (the “**Westfields Road Improvements**”). Pursuant to two Escrow Agreements with Fairfax County, Westfields has deposited a total of Twenty Thousand and NO/100 Dollars (\$20,000.00) in escrow with the Department of Finance of Fairfax County (the “**Fairfax County Escrowed Funds**”), to pay its share, if any, of such cost.

Westfields and Purchaser further agree and acknowledge that Ridgeview belongs to the Westfields Business Owners Association (the “**WBOA**”). The WBOA has levied a special assessment against all of the property owners in the WBOA, in the event the WBOA decides to fund a portion of the Westfields Road Improvements. Westfields has previously paid to the WBOA in 2001 a special assessment in the amount of Ten Thousand Nine Hundred Thirty-Three and 28/100 Dollars (\$10,933.28) (the “**WBOA Funds**”) to cover Westfield’s portion of the

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Westfields Road Improvements anticipated by the WBOA as not being covered by specific individual property owners.

Westfields and Purchaser further agree and acknowledge that at the time of the construction and development of Ridgeview, Fairfax County required Westfields to post certain bonds, and to deposit cash escrows. After subsequent reductions, the bonds are currently in the amounts of \$59,540.00 and \$79,543.00, and the cash escrows are in the amounts of \$22,200.00 and \$15,200.00 (such bonds and development cash escrows being hereinafter collectively referred to as, the “**Ridgeview Bonds and Cash Escrows**”). Although Fairfax County has approved all of the development work performed by Westfields at Ridgeview and has issued final inspection reports for the release of the Ridgeview Bonds and Cash Escrows, Fairfax County has elected to retain the Ridgeview Bonds and Cash Escrows pending a resolution of the Application for a Partial Proffered Condition Agreement (PCA-S-063-03) to amend Proffer 9 relating to the Westfields Road Improvements (the “**Application**”).

Purchaser hereby agrees and acknowledges that, upon resolution of the Application, any funds remaining in the Fairfax County Escrowed Funds, the WBOA Funds and the Ridgeview Bonds and Cash Escrows shall be returned to Westfields and Purchaser shall have no claim or right to such funds.

ARTICLE II

TITLE AND SURVEY

2.1 **Title Examination; Commitment for Title Insurance.** Purchaser shall obtain from Anchor Title Insurance Company (the “**Title Agent**”) at Purchaser’s sole cost and expense, a commitment from a title insurance company reasonably acceptable to Seller (the “**Title Company**”) for an Extended Coverage ALTA Owner’s Title Insurance Policy (the “**Title Commitment**”) covering the Property, showing all matters affecting title to the Property and binding the Title Company to issue at Closing an Owner’s Policy of Title Insurance in the full amount of the Purchase Price pursuant to Section 2.4 hereof. Purchaser shall obtain the Title Commitment within a sufficient amount of time to comply with the timing of Section 2.3 hereof, and Purchaser shall deliver copies of the Title Commitment and underlying title documents to Seller promptly after Purchaser’s receipt thereof.

2.2 **Survey.** Purchaser shall obtain at Purchaser’s sole cost and expense an ALTA survey of the Property (the “**Survey**”), reflecting the total area of the Property, the location of all Improvements, recorded easements and encroachments, if any, located thereon and all building and set back lines and other matters of record with respect thereto. Purchaser shall deliver copies of the Survey to Seller and the Title Agent promptly after Purchaser’s receipt thereof.

2.3 **Title Objections; Cure of Title Objections.** Purchaser shall have until ten (10) days prior to the expiration of the Inspection Period to notify Seller, in writing, of such objections as Purchaser may have to anything contained in the Title Commitment or the Survey. Any item contained in the Title Commitment or any matter shown on the Survey to which

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Purchaser does not object ten (10) days prior to the end of the Inspection Period shall be deemed a Permitted Exception. If Purchaser shall notify Seller of objections to title or matters shown on the Survey ten (10) days prior to the expiration of the Inspection Period, Seller shall have the right, but not the obligation to cure such objections; provided that Seller shall have the obligation to cure Monetary Obligations (as hereinafter defined). Within five (5) days after receipt of Purchaser’s notice of objections, Seller shall notify Purchaser in writing whether Seller elects to attempt to cure such objections. If Seller elects to attempt to cure any such matters, and provided that Purchaser shall not have terminated this Agreement in accordance with Section 3.2 hereof, the original scheduled Closing Date shall be automatically extended by a reasonable additional time to effect such cure, but in no event shall the extension exceed thirty (30) days after the original scheduled Closing Date. If Seller elects not to cure any objections specified in Purchaser’s notice (other than the Monetary Objections), or if Seller is unable to effect a cure prior to the Closing (or any date to which the Closing has been adjourned), Purchaser shall have the following options: (a) to accept a conveyance of the Property subject to the Permitted Exceptions, specifically including any matter objected to by Purchaser which Seller is unwilling or unable to cure (other than the Monetary Objections for which a failure to cure shall be deemed a default by Seller under Section 6.2 of this Agreement), and without reduction of the Purchase Price; or (b) to terminate this Agreement by sending written notice thereof to Seller, and upon delivery of such notice of termination, this Agreement shall terminate and the Earnest Money shall be returned to Purchaser, and thereafter neither party hereto shall have any further rights, obligations or liabilities hereunder except to the extent that any right, obligation or liability set forth herein expressly survives termination of this Agreement. If Seller notifies Purchaser that Seller does not intend to attempt to cure any title objection (other than the Monetary Objections), or if, having commenced attempts to cure any objection, Seller later notifies Purchaser that Seller will be unable to effect a cure thereof (other than the Monetary Objections), Purchaser shall, within five (5) days after such notice has been given, notify Seller in writing whether Purchaser shall elect to accept the conveyance under clause (a) or to terminate this Agreement under clause (b). For purposes of this Agreement, “**Monetary Objections**” shall mean (v) any mortgage, deed to secure debt, deed of trust, security interest or similar security instrument entered into by Seller encumbering all or any part of the Property, (w) any undisputed mechanic’s, materialman’s or similar lien (unless resulting from any act or omission of Purchaser or any of its agents, contractors, representatives or employees or any tenant of the Property), (x) the lien of ad valorem real or personal property taxes, assessments and governmental charges affecting all or any portion of the Property which are delinquent, and (y) any judgment of record against Seller in the county or other applicable jurisdiction in which the Property is located.

2.4 **Conveyance of Title.** At Closing, Seller shall convey and transfer to Purchaser good and marketable fee simple title to the Property as will enable the Title Company to issue to Purchaser, at Purchaser’s expense, an ALTA Owner’s Policy of Title Insurance (the “**Title Policy**”) covering the Property, in the full amount of the Purchase Price. Notwithstanding anything contained herein to the contrary, the Property shall be conveyed subject to the following matters, which shall be deemed to be Permitted Exceptions:

(a) the rights of tenants, as tenants only, under the Leases and any new Leases entered into between the Effective Date and Closing and, where required, approved by Purchaser in accordance with the terms of this Agreement;

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(b) the lien of all ad valorem real estate taxes and assessments not yet due and payable as of the Closing Date, subject to adjustment as herein provided;

(c) local, state and federal laws, ordinances or governmental regulations, including but not limited to, building and zoning laws, ordinances and regulations, now or hereafter in effect relating to the Property; and

(d) items appearing of record or shown on the Survey and, in either case, not objected to by Purchaser or waived or deemed waived by Purchaser in accordance with Sections 2.3 or 2.5 hereof.

2.5 **Pre-Closing “Gap” Title Defects.** Whether or not Purchaser shall have furnished to Seller any notice of title objections pursuant to the foregoing provisions of this Agreement, Purchaser may, at or prior to Closing, notify Seller in writing of any objections to title first raised by the Title Company or the Surveyor and first arising between (a) the date which is the earlier of (i) the effective date of Purchaser’s Title Commitment referred to above or (ii) the expiration of the Inspection Period, and (b) the Closing Date. With respect to any objections to title set forth in such notice, Seller shall have the same option to cure and Purchaser shall have the same option to accept title subject to such matters or to terminate this Agreement as applicable to any notice of objections made by Purchaser before the expiration of the Inspection Period. If Seller elects to attempt to cure any such matters, the Closing Date shall be automatically extended by a reasonable additional time to effect such a cure, but in no event shall the Closing be extended to a date later than the Extended Closing Date.

ARTICLE III

DELIVERIES & INSPECTION

3.1 **Right of Inspection.**

(a) Within five (5) business days after the Effective Date, Seller shall deliver to Purchaser, to the extent within the possession of Seller, all of the information with respect to the Property listed in Exhibit E attached hereto and made a part hereof and such materials shall be deemed the “**Deliveries**” for all purposes hereunder.

(b) During the period beginning upon the Effective Date and ending at 5:00 p.m. (local time at the Property) on the date which is forty-five (45) days after the Effective Date (hereinafter referred to as the “**Inspection Period**”), Purchaser shall have the right to make a physical inspection of the Property and to examine at such place or places at the Property, in the offices of the property manager, any operating files maintained by Seller or their property manager in connection with the leasing, maintenance and/or management of the Property, including, without limitation, the Leases, lease files, insurance policies, bills, invoices, receipts and other general records relating to the income and expenses of the Property, correspondence and correspondence files, surveys, plans and specifications, warranties for services and materials provided to the Property, engineering reports, environmental audits and similar materials, but excluding materials

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not directly related to the leasing, maintenance and/or management of the Property such as Seller’s internal memoranda, financial projections, budgets (other than those listed in Exhibit E), appraisals, accounting and tax records and similar proprietary or confidential information.

(c) Purchaser understands and agrees that any on-site inspections of the Property shall be conducted upon at least twenty-four (24) hours prior notice, which may be telephonic, to Seller and, if Seller so elects, in the presence of Seller or its representative. If Purchaser desires to do any invasive testing, sampling or drilling at the Property, Purchaser shall do so only after notifying Seller and obtaining Seller’s prior written consent thereto, which consent may be granted or withheld in Seller’s sole discretion and may be subject to any terms and conditions imposed by Seller in its sole discretion. Purchaser shall promptly restore any affected part of the Property which is subjected to any such invasive testing, sampling, or drilling, or otherwise affected by Purchaser’s inspection, to substantially the same condition which existed prior to any such inspections, tests, sampling or drilling, at Purchaser’s sole cost and expense. Purchaser agrees to indemnify against and hold Seller harmless from any claim for liabilities, costs, expenses (including reasonable attorneys’ fees actually incurred), damages or injuries arising out of or resulting from the inspection of the Property by Purchaser or its agents, and notwithstanding anything to the contrary in this Agreement, such obligation to indemnify and hold harmless Seller shall survive Closing or any termination of this Agreement. All inspections shall occur at reasonable times agreed upon by Seller and Purchaser and shall be conducted so as not to interfere unreasonably with use of the Property by Seller or its tenants.

3.2 **Right of Termination.** Seller agrees that Purchaser shall have the right in Purchaser’s sole discretion, for any reason or for no reason, to terminate this Agreement by giving written notice thereof to Seller prior to the expiration of the Inspection Period. If Purchaser gives such notice of termination within the Inspection Period, this Agreement shall terminate and the Earnest Money shall be returned to Purchaser and thereafter neither party hereto shall have any further rights, obligations or liabilities hereunder except to the extent that any right, obligation or liability set forth herein expressly survives termination of this Agreement. Time is of the essence with respect to the provisions of this Section 3.2. If Purchaser fails to give Seller a notice of termination prior to the expiration of the Inspection Period, Purchaser shall no longer have any right to terminate this Agreement under this Section 3.2 and (subject to the express terms of this Agreement) shall be bound to proceed to Closing and consummate the transaction contemplated hereby pursuant to the terms of this Agreement.

ARTICLE IV

CLOSING

4.1 **Time and Place.** The consummation of the transaction contemplated hereby (“**Closing**”) shall be held at the offices of the Escrow Agent through mail deliveries by the parties on or before the first business day that is at least fifteen (15) days after the expiration of the Inspection Period (the “**Initial Closing Date**”). Purchaser shall have the right to extend the

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Initial Closing Date by an additional thirty (30) days (the “**Extended Closing Date**”) upon written notification to Seller delivered on or before expiration of the Inspection Period and deposit of additional Earnest Money on the date of such written notification with the Escrow Agent in the amount of **FOUR MILLION AND NO/100 DOLLARS (\$4,000,000.00)** in good funds, by certified bank or cashier’s check or by federal wire transfer (the “**Additional Deposit**”). The Initial Closing Date as it may be extended, if applicable, to the Extended Closing Date is from time to time hereinafter referred to as the “**Closing Date**.” The Additional Deposit shall become a part of the Earnest Money for all purposes under this Agreement. If Purchaser elects to extend the Initial Closing Date as provided in this Section 4.1, Seller shall have no obligation to update the Tenant Estoppels or any other date sensitive deliveries prior to Closing. In addition, to the extent Seller has already delivered to the service providers under the Operating Agreements notices of termination pursuant to Section 5.4(g), Seller shall use reasonable efforts to extend the effective date of termination of such Operating Agreements until the Extended Closing Date and Purchaser shall reimburse Seller at Closing for any fees or expenses incurred that may be charged with respect to the extended period to the extent that such fees and expenses are in excess of (i) the monthly amounts that Seller was paying prior to the Initial Closing Date for the cost of service under the Operating Agreements and (ii) any termination or similar fees originally provided for in the Operating Agreements. At Closing, Seller and Purchaser shall perform the obligations set forth in, respectively, Section 4.2 and Section 4.3, the performance of which obligations shall be concurrent conditions.

4.2 **Seller’s Obligations at Closing.** At Closing, Seller shall, with respect to each Real Property:

(a) deliver to Purchaser a duly executed special warranty deed (the “**Deed**”), in the form and substance of Exhibit F attached hereto, in recordable form for each Real Property, conveying the related Land and Improvements, subject only to the Permitted Exceptions; the warranty of title in the Deed shall be only as to claims made by, through or under Seller and not otherwise;

(b) deliver to Purchaser a duly executed bill of sale, in the form and substance of Exhibit G attached hereto, conveying the Personal Property with the same limited warranty of title as contained in the Deed as to those items of Personal Property but without warranty, express or implied, as to merchantability and fitness for any purpose;

(c) assign to Purchaser, and Purchaser shall assume, the landlord/lessor interest in and to the Leases from and after Closing by duly executed assignment and assumption agreement, in the form and substance of Exhibit H attached hereto, pursuant to which (i) Seller shall indemnify Purchaser and hold Purchaser harmless from and against any and all claims pertaining to the Leases arising during Seller’s period of ownership of the Property prior to Closing and (ii) Purchaser shall indemnify Seller and hold Seller harmless from and against any and all claims pertaining to the Leases arising from and after the Closing, including without limitation, claims made by tenants with respect to tenants’ security deposits to the extent paid, credited or assigned to Purchaser, it being understood that a claim shall be deemed to “arise” for this purpose when the facts giving rise to the claim occur;

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- (d) deliver to Purchaser such Tenant Estoppels (as defined in Section 5.4(b) hereof) as are in Seller's possession;
- (e) join with Purchaser to execute a notice in form and content attached hereto as Exhibit I which Purchaser shall send to each tenant under each of the Leases informing such tenant of the sale of the Property and of the assignment to Purchaser of Seller's interest in, and obligations under, the Leases (including, if applicable any security deposits) and directing that all rent and other sums payable after the Closing under each such Lease shall be paid as set forth in the notice;
- (f) deliver to Purchaser a certificate, dated as of the Closing Date and executed on behalf of Seller by a duly authorized officer thereof, stating that the representations and warranties of Seller contained in this Agreement are true and correct in all material respects as of the Closing Date with appropriate modifications of those representations and warranties made in Section 5.1 hereof to reflect any changes therein, including without limitation, any changes resulting from actions required or permitted pursuant to Section 5.4 hereof or identifying any representation or warranty which is not, or no longer is, true and correct and explaining the state of facts giving rise to the change. In no event shall Seller be liable to Purchaser for, or be deemed to be in default hereunder by reason of, any breach of representation or warranty which results from any change that (i) occurs between the Effective Date and the Closing Date and (ii) is expressly permitted under the terms of this Agreement or is beyond the reasonable control of Seller to prevent; provided, however, that the occurrence of a change which is not permitted hereunder or is not beyond the reasonable control of Seller to prevent shall, if materially adverse to Purchaser, constitute the non-fulfillment of the condition set forth in Section 4.6(b); if, despite changes or other matters described in such certificate, the Closing occurs, Seller's representations and warranties set forth in this Agreement shall be deemed to have been modified by all statements made in such certificate; such certificate shall be subject to the limitations set forth in Section 5.3 hereof;
- (g) deliver to Purchaser a duly executed counterpart to the Vista Lease Escrow Agreement in the form and substance of Exhibit J attached hereto;
- (h) deliver to Purchaser such evidence as Purchaser's counsel and/or the Title Agent may reasonably require as to the authority of the person or persons executing documents on behalf of Seller;
- (i) deliver to Purchaser affidavits duly executed by Seller stating that Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended;
- (j) deliver to Purchaser the originals of, to the extent in the possession of Seller or Seller's agents, or copies of the Leases and licenses and permits, if any, together with such leasing and property files and records, including books, records and relevant portions of the general ledgers relating to operating expenses and revenues, which are material in connection with the continued operation, leasing and maintenance of the

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Property. Purchaser shall cooperate with Seller at Seller's cost and expense, with respect to third party costs and expenses only, for a period of two (2) years after Closing in case of Seller's need in response to any legal requirement, a tax audit, tax return preparation or litigation threatened or brought against Seller, by allowing Seller and its agents or representatives access, upon reasonable advance notice (which notice shall identify the nature of the information sought by Seller), at all reasonable times to examine and make copies of any and all instruments, files and records, which right shall survive the Closing;

- (k) deliver to Purchaser a rent roll in the form of Exhibit K attached hereto for each separate building comprising a portion of the Real Property certified by an officer of Seller;
- (l) deliver to Purchaser possession and occupancy of the Property, subject to the Permitted Exceptions, and make available to Purchaser's agents upon Closing all keys, codes and combinations for the Property; and
- (n) deliver such additional documents as shall be reasonably required to consummate the transaction contemplated by this Agreement, including, without limitation, any and all affidavits, undertakings, certificates or other documents customarily required by the Title Agent in order to cause the Title Company to issue the Title Policy.

4.3 Purchaser's Obligations at Closing. At Closing, Purchaser shall:

- (a) deposit with the Escrow Agent the full amount of the Purchase Price, as increased or decreased by prorations and adjustments as herein provided, on the Closing Date, in immediately available federal funds to be wire transferred to Seller's Account pursuant to Section 1.6 above, it being agreed that at Closing the Earnest Money shall be delivered to Seller by wire transfer of immediately available funds to Seller's Account and applied towards payment of the Purchase Price. If the full amount of the Purchase Price, as increased or decreased as provided herein, is not wire transferred by the Escrow Agent and credited to Seller's Account no later than 4:00 p.m. (local time at the Property) on the Closing Date, then all income and expenses in connection with the operation of the Property shall be re-apportioned, such re-apportionment to be conducted pursuant to the terms of Section 4.4, as of 12:01 a.m. (local time at the Property) on such day the funds are credited to the Seller's Account;
- (b) join Seller in execution of the instruments described in Sections 4.2(c), 4.2(e) and 4.2(g) above;
- (c) deliver to Seller such evidence as Seller's counsel and/or the Title Agent may reasonably require as to the authority of the person or persons executing documents on behalf of Purchaser; and
- (d) deliver such additional documents as shall be reasonably required to consummate the transaction contemplated by this Agreement.

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4.4 Credits and Prorations.

- (a) All income and expenses in connection with the operation of the Property shall be apportioned, as of 12:01 a.m. (local time at the Property) on the Closing Date, as if Purchaser were vested with title to the Property during the entire Closing Date, such that, except as otherwise expressly provided to the contrary in this Agreement, Seller shall have the benefit of income and the burden of expenses for the day preceding the Closing Date and the Purchaser shall have the benefit of income and the burden of expenses for the Closing Date and thereafter. Such prorated items shall include, without limitation, the following:
 - (i) rents, if any, as and when collected (the term "**rents**" as used in this Agreement includes all payments due and payable by tenants under the Leases including operating expenses and tax reimbursements);
 - (ii) taxes (including personal property taxes on the Personal Property) and assessments levied against the Property, unless otherwise provided in Section 1.9 above;
 - (iii) payments under the Operating Agreements;

(iv) gas, electricity and other utility charges for which Seller is liable, if any, such charges to be apportioned at Closing on the basis of the most recent meter reading occurring prior to Closing; and

(v) any other operating expenses or other items pertaining to the Property which are customarily prorated between a purchaser and a seller in the area in which the Property is located.

(b) Notwithstanding anything contained in the foregoing provisions:

(i) At Closing, (A) Seller shall credit to the account of Purchaser the amount of any security deposits shown in the Leases as having been paid (to the extent such security deposits have not been applied against delinquent rents or otherwise as provided in the Leases), and (B) Purchaser shall credit to the account of Seller all refundable cash or other deposits posted with utility companies serving the Property which Seller shall assign to Purchaser, to the extent assignable, or, at Seller's option, Seller shall be entitled to receive and retain such refundable cash and deposits.

(ii) Any taxes paid at or prior to Closing shall be prorated based upon the amounts actually paid. If taxes and assessments for the current year have not been paid before Closing, Seller shall be charged at Closing an amount equal to that portion of such taxes and assessments which relates to the period before Closing and Purchaser shall pay the taxes and assessments prior to their becoming delinquent. Any such apportionment made with respect to a tax year for which

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the tax rate or assessed valuation, or both, have not yet been fixed shall be based upon the tax rate and/or assessed valuation last fixed. To the extent that the actual taxes and assessments for the current year, when the tax bill is received, differ from the amount apportioned at Closing, the parties shall make the appropriate adjusting payment between themselves within thirty (30) days after Purchaser presents to Seller a copy of the final tax bill, Purchaser's calculation of the reparation of the taxes and assessments and appropriate back-up materials related to the calculation. In addition, Seller may inspect Purchaser's books and records related to the Property to confirm Purchaser's calculation.

(iii) The advantage of any discounts for the prepayment by Seller of any taxes, water rates or sewer rents shall be prorated at Closing.

(iv) As to gas, electricity and other utility charges, Seller may, on notice to Purchaser, elect to pay one or more of all of said items accrued to the date hereinabove fixed for apportionment directly to the person or entity entitled thereto, and to the extent Seller so elects, such item shall not be apportioned hereunder, and Seller's obligation to pay such item directly in such case shall survive the Closing.

(v) Any reimbursements payable by any tenant under the terms of any tenant lease affecting the Property as of the Closing Date, which reimbursements pertain to such tenant's pro rata share of increased operating expenses or common area maintenance costs incurred with respect to the Property at any time prior to the Closing, shall, to the extent not capable of being prorated at Closing, be prorated upon Purchaser's actual receipt of any such reimbursements, on the basis of the number of days of Seller's and Purchaser's respective ownership of the Property during the period in respect of which such reimbursements are payable; and Purchaser agrees to pay to Seller, Seller's pro rata portion of such reimbursements within thirty (30) days after Purchaser's receipt thereof. Conversely, if any tenant under any such Lease shall become entitled at any time after Closing to a refund of tenant reimbursements actually paid by such tenant prior to Closing, then, Seller shall, within thirty (30) days following Purchaser's demand therefor, pay to Purchaser any amount equal to Seller's pro rata share of such reimbursement refund obligations, said proration to be calculated on the same basis as hereinabove set forth.

(vi) Purchaser shall be responsible for the payment of (A) all Tenant Inducement Costs (as defined in this Section 4.4(b)(vi) below) and leasing commissions which become due and payable (whether before or after Closing) (1) as a result of any renewals or expansions of existing Leases, approved or deemed approved in accordance with Section 5.4 hereof between the Effective Date and the Closing Date, and (2) under any new Leases, approved or deemed approved in accordance with Section 5.4 hereof, entered into between the Effective Date and the Closing Date, and (B) all Tenant Inducement Costs and leasing commissions which become due and payable from and after the Closing Date that are disclosed in those Leases and commission agreements listed on Exhibit B attached hereto.

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If, as of the Closing Date, Seller shall have paid any Tenant Inducement Costs or leasing commissions for which Purchaser is responsible pursuant to the foregoing provisions, Purchaser shall reimburse Seller therefor at Closing. For purposes hereof, the term "**Tenant Inducement Costs**" shall mean any out-of-pocket payments required under a Lease to be paid by the landlord thereunder to or for the benefit of the tenant thereunder which is in the nature of a tenant inducement, including specifically, without limitation, tenant improvement costs, lease buyout costs, and moving, design and refurbishment allowances. The term "Tenant Inducement Costs" shall not include loss of income resulting from any free rental period, it being agreed that Seller shall bear the loss resulting from any free rental period until the Closing Date and that Purchaser shall bear such loss from and after the Closing Date.

(vii) Unpaid and delinquent rent collected by Seller and Purchaser after the Closing Date shall be delivered as follows: (A) if Seller collects any unpaid or delinquent rent for the Property, Seller shall, within fifteen (15) days after the receipt thereof, deliver to Purchaser all such rent received and Purchaser shall distribute such rent in accordance with the following clause (B), and (B) if Purchaser collects any unpaid or delinquent rent from the Property, Purchaser shall, within fifteen (15) days after the receipt thereof, deliver to Seller any such rent which Seller is entitled to hereunder relating to the period prior to the Closing Date. Seller and Purchaser agree that all rent received by Seller or Purchaser from and after the Closing Date shall be applied first to current rentals and then to delinquent rentals, if any, in inverse order of maturity. Purchaser shall make a good faith effort after Closing to collect all rents in the usual course of Purchaser's operation of the Property, but Purchaser shall not be obligated to institute any lawsuit or other collection procedures to collect delinquent rents. If there shall be any rents or other charges under any Leases which, although relating to a period prior to Closing, do not become due and payable until after Closing or are paid prior to Closing but are subject to adjustment after Closing (such as year end common area expense reimbursements and the like), then any rents or charges of such type received by Purchaser or its agents or Seller or its agents subsequent to Closing shall, if received by Seller or its agents, be paid promptly to Purchaser, and if received by Purchaser, to the extent applicable to a period extending through the Closing, be prorated between Seller and Purchaser as of Closing and Seller's portion thereof shall be remitted promptly to Seller by Purchaser.

(viii) The provisions of this Section 4.4 shall survive Closing.

If any of the items described in this Section 4.4 cannot be apportioned at the Closing because of the unavailability of information as to 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 is discovered; however, all prorrations shall be final within ninety (90) days after the end of calendar year 2003.

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4.5 **Closing Costs.** Seller shall pay (a) the Virginia grantor's tax as provided in Va. Code § 58.1-802, (b) the fees of any counsel representing it in connection with this transaction and (c) one-half (½) of any escrow fee which may be charged by the Escrow Agent or the Title Company. Purchaser shall pay (u) all other transfer taxes (other than the Virginia grantor's tax) which become payable by reason of the transfer of the Property; (v) the fees of any counsel representing Purchaser in connection with this transaction; (w) the fee for the title examination and the Title Commitment and the premium for the Owner's Policy of Title Insurance to be issued to Purchaser by the Title Company at Closing; (x) the cost of the Survey; (y) the fees for recording the deed conveying the Property to Purchaser; and (z) one-half (½) of any escrow fees charged by the Escrow Agent or the Title Company. All other costs and expenses incident to this transaction and the closing thereof shall be paid by the party incurring same.

4.6 **Conditions Precedent to Obligation of Purchaser.** The obligation of Purchaser to consummate the transaction hereunder shall be subject to the fulfillment on or before the Closing Date of all of the following conditions, any or all of which may be waived by Purchaser in its sole discretion:

- (a) Seller shall have delivered to Purchaser all of the items required to be delivered to Purchaser pursuant to the terms of this Agreement, including but not limited to, those provided for in Section 4.2.
- (b) All of the representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects as of the Closing Date (with appropriate modifications permitted under this Agreement or not adverse to Purchaser).
- (c) Seller shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Seller as of the Closing Date.
- (d) Tenant Estoppels from tenants occupying not less than eighty percent (80%) of the aggregate leased net rentable square footage in each of DT Center and Ridgeview shall have been delivered to Purchaser by 10:00 a.m. on the Closing Date (provided, however, that Tenant Estoppels from BAAN USA, Inc., Vista Information Technologies, Inc., Omniplex World Services Corp., Rolls Royce NA, Inc. and RBR Networks, Inc. (collectively, the "**Major Tenants**"), shall have been delivered to Purchaser at least one (1) business day prior to the Closing Date), with each such estoppel certificate (i) to be substantially in the form of the completed Tenant Estoppel submitted to and approved by Purchaser pursuant to Section 5.4(b) (provided, however, in the event any tenant has completely omitted or modified paragraphs 11 and/or 12 of the form of estoppel certificate attached to this Agreement as Exhibit L (other than to modify such paragraphs in order to disclose substantive issues relating to a tenant's space in Purchaser's reasonable judgment), such changes shall be deemed acceptable and Purchaser shall not be entitled to reject the Tenant Estoppel on the basis of such changes), (ii) to be dated within thirty (30) days prior to the Closing Date, (iii) to confirm the terms of the applicable Lease, as contained in the copies of the Leases obtained by or delivered to Purchaser, and (iv) to confirm the absence of any defaults under the applicable Lease

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as of the date thereof. In addition to the Tenant Estoppels required above to be delivered, an estoppel certificate (in substantially the form attached hereto as Exhibit M) from Westfields Business Owners Association and, to the extent that the recorded documents pertaining to DT Center require an owners' association or other declarant to deliver such an estoppel certificate, such estoppel certificates shall have been delivered to Purchaser (collectively, the "**Association Estoppels**"). The delivery of said Tenant Estoppels and Association Estoppels shall be a condition of Closing, and the failure or inability of Seller to obtain and deliver said Tenant Estoppels and Association Estoppels, Seller having used reasonable efforts to obtain the same, shall not constitute a default by Seller under this Agreement. Notwithstanding anything to the contrary contained herein, if Seller has been unable to obtain and deliver to Purchaser by Closing the applicable percentage of Tenant Estoppels meeting the requirements set forth above, then, at the option of Seller, this condition to Closing may be satisfied by Seller's execution and delivery to Purchaser by the deadline set forth above, on behalf of any one or more tenants, other than the Major Tenants, which have failed to provide the required Tenant Estoppels an estoppel certificate substantially in the form attached hereto as Exhibit N and made a part hereof ("**Seller's Estoppel**"); and provided that Seller's liability under any such Seller's Estoppel so executed and delivered by Seller to Purchaser at Closing shall cease and terminate upon the receipt by Purchaser after Closing of a duly executed Tenant Estoppel from the tenant under the applicable Lease covered in such Seller's Estoppel complying with this Section 4.6(d).

If any of the conditions in this Section 4.6 have not been satisfied (or otherwise waived in writing by Purchaser) prior to or on the Closing Date (as the same may be extended or postponed as provided in this Agreement), Purchaser shall have the right to terminate this Agreement by written notice to Seller given prior to the Closing, whereupon Escrow Agent shall return the Earnest Money to Purchaser and except for those provisions of this Agreement which by their express terms survive the termination of this Agreement, no party hereto shall have any other or further rights or obligations under this Agreement.

4.7 **Conditions Precedent to Obligation of Seller.** The obligation of Seller to consummate the transaction hereunder shall be subject to the fulfillment on or before the Closing Date of all of the following conditions, any or all of which may be waived by Seller in their sole discretion:

- (a) Seller shall have received the Purchase Price as adjusted pursuant to and payable in the manner provided for in this Agreement.
- (b) Purchaser shall have delivered to Seller all of the items required to be delivered to Seller pursuant to the terms of this Agreement, including but not limited to, those provided for in Section 4.3.
- (c) All of the representations and warranties of Purchaser contained in this Agreement shall be true and correct in all material respects as of the Closing Date.

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- (d) Purchaser shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Purchaser as of the Closing Date.

ARTICLE V

REPRESENTATIONS, WARRANTIES AND COVENANTS

5.1 **Representations and Warranties of Seller.** Each of Dulles Tech and Westfields, only with respect to itself and the portion of the Property that it owns, as the case may be, hereby makes the following representations and warranties to Purchaser as of the Effective Date:

- (a) **Organization and Authority.** Seller has been duly organized and is validly existing and in good standing under the laws of the State of Georgia. Seller has the full right and authority to enter into this Agreement and to transfer all of the Property to be conveyed by Seller pursuant hereto and to consummate or cause to be consummated the transactions contemplated herein to be made by Seller. The person or persons signing this Agreement on behalf of Seller is authorized to do so.
- (b) **Pending Actions.** To Seller's knowledge, there is no action, suit, arbitration, unsatisfied order or judgment, governmental investigation or proceeding pending against or relating to the Property or Seller or the transaction contemplated by this Agreement, which, if adversely determined, could individually or in the aggregate have a material adverse effect on the Property or title to the Property or any portion thereof, or which could in any material way interfere with the consummation by Seller of the transaction contemplated by this Agreement, other than (i) with respect to DT Center, the proposed dedication to Fairfax County, Virginia, of a strip of land consisting of approximately 1,100 square feet adjacent to Centreville Road for road widening purposes, and (ii) with respect to Ridgeview,

the proposed Westfields Road Improvements.

(c) **Leases.** Seller is the lessor or landlord or the successor lessor or landlord under the Leases. Except as set forth in the Lease and Commission Agreement Schedule, there are no other leases or occupancy agreements to which Seller is a party affecting the Property or any portion thereof. There are no tenants or other parties in possession of any part of the Property, except tenants under the Leases. True, complete and correct copies of the Leases have been delivered to Purchaser. The Lease and Commission Agreement Schedule is true, complete and correct in all material respects. Except as otherwise set forth in the Leases, to Seller's knowledge, no presently effective rent concessions have been given to any tenants and no rent has been paid more than one (1) month in advance by any tenants respecting a period subsequent to the Closing. The Leases are in full force and effect. No tenants have asserted in writing any claims, defenses or offsets to rent accruing from and after the Closing Date. To Seller's knowledge, except as disclosed to Purchaser in writing, no material default, delinquency or breach exists on the part of any tenant. To Seller's knowledge, there are no material defaults or breaches on the part of the landlord under any Lease and Seller has not received any written notice of default that

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remains uncured under any Lease. Subject to Section 5.4(c), the termination of any Lease during the Inspection Period or during the period between the Initial Closing Date and the Extended Closing Date by reason of the tenant's default shall not affect the obligations of Purchaser under this Agreement in any manner or entitle Purchaser to an abatement of or credit against the Purchase Price or give rise to any other claim on the part of Purchaser, provided that, this sentence is not intended to modify Purchaser's right to terminate this Agreement as set forth in Section 3.2 hereof.

(d) **Lease Brokerage.** To Seller's knowledge, there are no lease brokerage agreements, leasing commission agreements or other agreements providing for payments of any amounts for leasing activities or procuring tenants with respect to the Property other than as disclosed in Exhibit B hereto.

(e) **No Violations.** To Seller's knowledge, Seller has not received prior to the Effective Date any written notification from any governmental or public authority (i) that the Property is in violation of any applicable fire, health, building, use, occupancy or zoning laws where such violation remains outstanding and, if not addressed, would have a material adverse effect on the use of the Property as currently owned and operated or (ii) that, except as set forth in Section 5.1(b) above, any work is required to be done upon or in connection with the Property, where such work remains outstanding and, if not addressed, would have a material adverse effect on the use of the Property as currently owned and operated.

(f) **Taxes and Assessments.** True and complete copies of the most recent real estate tax bills for the Property have been delivered to Purchaser. Seller has not filed, and has not retained anyone to file, notices of protests against, or to commence action to review, real property tax assessments against the Property.

(g) **Condemnation.** To Seller's knowledge, no condemnation proceedings relating to the Property are pending or threatened.

(h) **Insurance.** To Seller's knowledge, Seller has not received any written notice from any insurance company or board of fire underwriters of any defects or inadequacies in or on the Property or any part or component thereof that would materially and adversely affect the insurability of the Property or cause any material increase in the premiums for insurance for the Property that have not been cured or repaired.

(i) **Environmental Matters.** Except as set forth in any environmental assessment reports in Seller's possession and disclosed to Purchaser or as otherwise disclosed to Purchaser, to Seller's knowledge, Seller has received no written notification that any governmental or quasi-governmental authority has determined that there are any violations of environmental statutes, ordinances or regulations affecting the Property. As used herein, "**Hazardous Substances**" means all hazardous or toxic materials, substances, pollutants, contaminants, or wastes currently identified as a hazardous substance or waste in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (commonly known as "**CERCLA**"), as amended, the Superfund

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Amendments and Reauthorization Act (commonly known as "**SARA**"), the Resource Conservation and Recovery Act (commonly known as "**RCRA**"), or any other federal, state or local legislation or ordinances applicable to the Property.

(j) **Foreign Person.** Seller is not 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.

5.2 **Knowledge Defined.** References to the "**knowledge**" of Seller shall refer only to the actual knowledge of the Designated Employees (as defined in this Section 5.2 below) of The Brookdale Group, LLC, and shall not be construed, by imputation or otherwise, to refer to the knowledge of any property manager, or to any other officer, agent, manager, representative or employee of or any affiliate thereof or to impose upon such Designated Employees any duty to investigate the matter to which such actual knowledge, or the absence thereof, pertains. Seller shall inquire of the property manager with respect to the accuracy of the representations and warranties set forth in Section 5.1 above. As used herein, the term "**Designated Employees**" shall refer to the following persons: (a) C. L. Davidson, III, (b) Fred H. Henritze, (c) Seabie W Hickson III and (d) Patrick Walsh.

5.3 **Survival of Seller's Representations and Warranties.** The representations and warranties of Seller set forth in Section 5.1 as updated by the certificate of Seller to be delivered to Purchaser at Closing in accordance with Section 4.2(f) hereof, shall survive Closing for a period of three hundred sixty-five (365) days from and after the Closing Date as defined in Section 4.1 (i.e., including any extension). No claim for a breach of any representation or warranty of Seller shall be actionable or payable (a) if the breach in question results from or is based on a condition, state of facts or other matter which was known to Purchaser prior to Closing, (b) unless the valid claims for all such breaches collectively aggregate more than Seventy-Five Thousand and No/100 Dollars (\$75,000.00), in which event the full amount of such valid claims shall be actionable, up to but not exceeding the amount of the Cap (as defined in this Section 5.3 below), and (c) unless written notice containing a description of the specific nature of such breach shall have been given by Purchaser to Seller prior to the expiration of said three hundred sixty-five (365) day period and an action shall have been commenced by Purchaser against Seller within three hundred sixty-five (365) days of Closing. Purchaser agrees to first seek recovery under any insurance policies, service contracts and Leases prior to seeking recovery from Seller, and Seller shall not be liable to Purchaser if Purchaser's claim is satisfied from such insurance policies, service contracts or Leases. As used herein, the term "**Cap**" shall mean the total aggregate amount of One Million Five Hundred Thousand and No/100 Dollars (\$1,500,000.00) per each of DT Center and Ridgeview. In no event shall Seller's aggregate liability to Purchaser for breach of any representation or warranty of Seller in this Agreement or the certificate to be delivered by Seller at Closing pursuant to Section 4.2(f) hereof exceed the amount of the Cap. To the extent that Seller does not have sufficient assets or liquidity to satisfy any such obligations under this Section 5.3, Purchaser may look to Brookdale Investors Two, L.P., with respect to DT Center only, and Brookdale Investors Three, L.P., with respect to Ridgeview only, to satisfy Seller's obligations under this Section 5.3.

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5.4 **Covenants of Seller.** Seller hereby covenants with Purchaser as follows:

(a) From the Effective Date hereof until the Closing or earlier termination of this Agreement, Seller shall use reasonable efforts to operate and maintain the Property in a manner generally consistent with the manner in which Seller has operated and maintained the Property prior to the date hereof.

(b) No sooner than ten (10) days following the Effective Date, Seller shall submit to Purchaser for Purchaser's review and approval a completed estoppel certificate (in the form of Exhibit L attached hereto or alternatively in the form attached to and required by any tenant's Lease) (the "**Tenant Estoppel**") for each of the tenants at the Property. Within five (5) days of such delivery, Purchaser shall approve or deliver comments on the estoppel certificates so that Seller may deliver the estoppel certificates to the tenants of the Property. Seller shall then use reasonable efforts (but without obligation to incur any cost or expense other than ministerial or administrative costs and expenses) to obtain and deliver to Purchaser prior to Closing, written Tenant Estoppels signed by each tenant occupying space in the Improvements; provided that delivery of such signed Tenant Estoppels shall be a condition of Closing only to the extent set forth in Section 4.6(d) hereof; and in no event shall the inability or failure of Seller to obtain and deliver said Tenant Estoppels (Seller having used reasonable efforts as set forth above) be a default of Seller hereunder. Seller shall deliver copies of each executed Tenant Estoppel to Purchaser promptly following receipt thereof. Seller shall also use reasonable efforts (but without obligation to incur any cost or expense other than ministerial or administrative costs and expenses) to obtain and deliver to Purchaser prior to Closing, written Association Estoppels executed by the owner's association of each of DT Center and Ridgeview; provided that delivery of such signed Association Estoppels shall be a condition of Closing only to the extent set forth in Section 4.6(d) hereof; and in no event shall the inability or failure of Seller to obtain and deliver said Association Estoppels (Seller having used reasonable efforts as set forth above) be a default of Seller hereunder. Seller shall deliver copies of each executed Association Estoppel to Purchaser promptly following receipt thereof.

(c) From the Effective Date until the Closing or earlier termination of this Agreement, Seller shall not amend, modify or terminate any Lease or Operating Agreement (except as otherwise provided herein) or enter into any new Operating Agreements, unless such Operating Agreements are terminable at Closing without cost, without the prior written consent of Purchaser. Seller shall not remove any items of Personal Property from the Property unless removed in the ordinary course of owning and operating the Property and replaced with an item of comparable value.

(d) A copy of any renewal or expansion of an existing Lease or of any new Lease which Seller wishes to execute between the Effective Date and the Closing Date, together with materials evidencing the anticipated tenant improvement costs, leasing commission costs and miscellaneous expenses associated therewith (including an estimate of legal fees), shall be submitted to Purchaser prior to execution by the respective Seller. Purchaser agrees to notify Seller in writing within five (5) business

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days after its receipt thereof of either its approval or disapproval, including all Tenant Inducement Costs and leasing commissions to be incurred in connection therewith. If Purchaser fails to notify Seller in writing of its approval or disapproval within the five (5) business day time period for such purpose set forth above, such failure shall be deemed the approval by Purchaser. If Purchaser notifies Seller that it does not approve the proposed renewal or expansion of the existing Lease or the new Lease, then Seller shall not enter into such agreement. At Closing, Purchaser shall reimburse Seller for any Tenant Inducement Costs, leasing commissions or other reasonable expenses, including legal fees, incurred by Seller pursuant to a renewal, an expansion or a new Lease approved (or deemed approved) by Purchaser.

(e) **Marketing of Property.** After the Effective Date and until Closing or earlier termination of this Agreement, Seller may communicate with and respond to inquiries from other prospective third-party purchasers, provided, however, that, except in connection with an assignment of this Agreement to a qualified intermediary as provided in Section 10.24, Seller shall not (i) solicit, negotiate, enter into or discuss the terms of any contract or letter of intent for sale of the Property to any third party, or (ii) disclose Purchaser's identity to any third party. Notwithstanding the foregoing, Seller shall, at all times, abide by the confidentiality requirements of Section 10.1 hereof.

(f) **Notification of Subsequent Events.** Between the Effective Date and Closing hereunder, Seller shall immediately notify Purchaser of any notices received by Seller from any applicable governmental authority relative to compliance or noncompliance with Legal Requirements, or from any other party to any recorded covenants, easements or other agreements affecting the Property relative to compliance or noncompliance therewith. Seller shall also notify Purchaser of any occurrence effecting, or notice received by Seller of, any material change in or to the Property. Seller shall also advise Purchaser promptly of any litigation or any arbitration proceeding or any administrative hearing (including condemnation) before any governmental agency which concerns or affects the Property in any manner and which is instituted after the Effective Date and with respect to which Seller actually receives written notification. As used herein, the term "**Legal Requirements**" means all laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of all governmental authorities applicable to the Property at or before the Closing.

(g) As of the Closing Date, Seller shall have delivered to the service providers under the Operating Agreements notices of termination such that the Operating Agreements shall terminate as of the Closing Date. In the event that Purchaser elects to extend the Initial Closing Date to the Extended Closing Date pursuant to Section 4.1, Seller shall use reasonable efforts to extend the effective date of termination of such Operating Agreements until the Extended Closing Date. Seller shall pay all termination fees and other charges originally provided for in connection with terminating the Operating Agreements, provided that Purchaser shall reimburse Seller at Closing for any additional amounts incurred to the extent provided in Section 4.1 above. Notwithstanding the foregoing, Purchaser shall be entitled to reinstate any of the

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Operating Agreements after the Closing to the extent Purchaser and the service providers reach agreement thereon.

5.5 **Representations and Warranties of Purchaser.** Purchaser hereby represents and warrants to Seller:

(a) **Organization and Authority.** Purchaser has been duly organized and is validly existing under the laws of the State of Delaware. Purchaser has the full right, power and authority to purchase the Property as provided in this Agreement and to carry out Purchaser's obligations hereunder, and all requisite action necessary to authorize Purchaser to enter into this Agreement and to carry out its obligations hereunder have been, or by the Closing shall have been, taken. The person signing this Agreement on behalf of Purchaser is authorized to do so.

(b) **Pending Actions.** There is no action, suit, arbitration, unsatisfied order or judgment, government investigation or proceeding pending against Purchaser which, if adversely determined, could individually or in the aggregate materially interfere with the consummation of the transaction contemplated by this Agreement.

5.6 **Survival of Purchaser's Representations and Warranties.** All representations and warranties of Purchaser shall survive Closing for a period of three hundred sixty-five (365) days from and after the Closing Date.

5.7 **Covenants of Purchaser.** Purchaser hereby covenants with Seller that Purchaser shall, in connection with its investigation of the Property during the Inspection Period, inspect the Property for the presence of Hazardous Substances (as defined in Section 5.1(i) hereof). Purchaser hereby assumes full responsibility for such inspections and, except for claims based on representations or warranties contained in Section 5.1(i), irrevocably waives any claim against Seller arising from the presence of Hazardous Substances on the Property.

ARTICLE VI

DEFAULT

6.1 **Default by Purchaser.** If the sale of the Property as contemplated hereunder is not consummated due to Purchaser's default hereunder, Seller shall be entitled, as its sole and exclusive remedy, to terminate this Agreement and receive the Earnest Money as liquidated damages for the failure of Purchaser to close the purchase of the Property as obligated hereunder and not as a penalty, it being agreed between the parties hereto that the actual damages to Seller in the event of such breach are impractical to ascertain and the amount of the Earnest Money is a reasonable estimate thereof, Seller hereby expressly waiving and relinquishing any and all other remedies at law or in equity. The right to retain the Earnest Money as full liquidated damages is Seller's sole and exclusive remedy in the event of default hereunder by Purchaser, and Seller hereby waives and releases any right to (and hereby covenants that they shall not) sue Purchaser: (a) for specific performance of this Agreement, or (b) to recover actual damages in excess of the Earnest Money. Purchaser hereby waives and releases any right to (and hereby covenants that it

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shall not) sue Seller or seek or claim a refund of the Earnest Money (or any part thereof) on the grounds it is unreasonable in amount and exceeds Seller's actual damages or that its retention by Seller constitutes a penalty and not agreed upon and reasonable liquidated damages. This Section 6.1 is subject to Section 6.4 hereof.

6.2 **Default by Seller.** If Seller defaults under this Agreement or fails to consummate the Closing for any reason other than Purchaser's default or the permitted termination of this Agreement by Seller or Purchaser as herein expressly provided, Purchaser shall be entitled, as its sole remedy, either (a) to receive the return of the Earnest Money, which return shall operate to terminate this Agreement and release Seller from any and all liability hereunder, or (b) to enforce specific performance of Seller's obligation. Purchaser expressly waives its rights to seek damages in the event of Seller's default hereunder. Purchaser shall be deemed to have elected to terminate this Agreement and receive back the Earnest Money if Purchaser fails to file suit for specific performance against Seller in a court having jurisdiction in the county and state in which the Property is located, on or before sixty (60) days following the date upon which Closing was to have occurred.

6.3 **Notice of Default; Opportunity to Cure.** Neither Seller nor Purchaser shall be deemed to be in default hereunder until and unless such party has been given written notice of its failure to comply with the terms hereof and thereafter does not cure such failure within seven (7) business days after receipt of such notice; provided, however, that this Section 6.3 (i) shall not be applicable to a Purchaser's failure to deposit the Earnest Money on the date required hereunder or to a party's failure to make any deliveries required of such party, including the Purchase Price, on the Closing Date and, accordingly, (ii) shall not have the effect of extending the due date of the Earnest Money hereunder or the Closing Date.

6.4 **Recoverable Damages.** Notwithstanding Sections 6.1 and 6.2 hereof, in no event shall the provisions of Sections 6.1 and 6.2 limit the damages recoverable by either party against the other party due to the other party's express obligation to indemnify such party in accordance with Sections 3.1(c), 4.2(c) and (d), 8.1, 10.25 and 10.26 of this Agreement.

ARTICLE VII

RISK OF LOSS

7.1 **Minor Damage.** In the event of loss or damage to the Property or any portion thereof which is not "major" (as defined in Section 7.3 hereof), this Agreement shall remain in full force and effect provided Seller performs any necessary repairs or, at Seller's option, assigns to Purchaser all of Seller's right, title and interest to any claims and proceeds Seller may have with respect to any casualty insurance policies or condemnation awards relating to the premises in question. If Seller elects to perform repairs upon the Property, Seller shall use reasonable efforts to complete such repairs promptly and the Closing Date shall be extended a reasonable time in order to allow for the completion of such repairs. If Seller elects to assign a casualty claim to Purchaser, the Purchase Price shall be reduced by an amount equal to the deductible amount under Seller's insurance policy(ies). Upon Closing, full risk of loss with respect to the Property shall pass to Purchaser.

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7.2 **Major Damage.** In the event of a "major" loss or damage, either Seller or Purchaser may terminate this Agreement by written notice to the other party, in which event the Earnest Money shall be returned to Purchaser. If Purchaser has not elected to terminate this Agreement within ten (10) days after Seller has sent Purchaser written notice of the occurrence of major loss or damage, then Seller and Purchaser shall be deemed to have elected to proceed with Closing, in which event Seller shall, at Seller's option, either (a) perform any necessary repairs, or (b) assign to Purchaser all of Seller's right, title and interest to any claims and proceeds Seller may have with respect to any casualty insurance policies or condemnation awards relating to the premises in question. If Seller elects to perform repairs upon the Property, Seller shall use reasonable efforts to complete such repairs promptly and the Closing Date shall be extended a reasonable time in order to allow for the completion of such repairs. If Seller elects to assign a casualty claim to Purchaser, the Purchase Price shall be reduced by an amount equal to the deductible amount under Seller's insurance policy(ies). Upon Closing, full risk of loss with respect to the Property shall pass to Purchaser.

7.3 **Definition of "Major" Loss or Damage.** For purposes of Sections 7.1 and 7.2, "major" loss or damage refers to the following: (a) loss or damage to the Property or any portion thereof such that the cost of repairing or restoring the premises in question to a condition substantially identical to that of the premises in question prior to the event of damage would be, in the opinion of an architect selected by Seller and reasonably approved by Purchaser, equal to or greater than One Million and No/100 Dollars (\$1,000,000.00), and (b) any loss due to a condemnation which permanently and materially impairs the current use of the Property or access thereto. If Purchaser does not give notice to Seller of Purchaser's reasons for disapproving an architect within five (5) business days after receipt of notice of the proposed architect, Purchaser shall be deemed to have approved the architect selected by Seller.

ARTICLE VIII

COMMISSIONS

8.1 **Brokerage Commissions.** Each of Purchaser and Seller represents and warrants to the other that it has not dealt with any broker or agent in the negotiation of this transaction except Holliday Fenoglio Fowler, L.P. ("**Broker**") (to whom Seller shall pay a commission upon Closing pursuant to a separate agreement). Seller agrees that if any person or entity makes a claim against Purchaser or asserts any lien or any other right against the Property for brokerage commissions or finder's fees related to the sale of any of the Property by Seller to Purchaser, and such claim is made by, through, or on account of any acts or alleged acts of Seller and/or any of its representatives, Seller shall protect, indemnify, defend, and hold the Purchaser free and harmless from and against any and all loss, liability, cost, damage, and expense (including reasonable attorneys' fees) in connection therewith. Purchaser agrees that if any person or entity makes a claim against Seller or asserts a lien or any other right against any property of Seller, for brokerage commissions or finder's fees related to the sale of the Property by Seller to Purchaser, and such claim is made by, through, or on account of any acts or alleged acts of Purchaser and/or any of its representatives, Purchaser shall protect, indemnify, defend and hold Seller free and harmless from and against any and all loss, liability, cost, damage and expense (including

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reasonable attorneys' fees) in connection therewith. The provisions of this Section 8.1 shall survive Closing or any termination of this Agreement.

ARTICLE IX

DISCLAIMERS AND WAIVERS

9.1 **No Reliance on Documents.** Except as expressly stated herein, Seller makes no representation or warranty as to the truth, accuracy or completeness of any materials, data or information delivered by Seller to Purchaser in connection with the transaction contemplated hereby. Purchaser acknowledges and agrees that all materials, data and information delivered by Seller to Purchaser in connection with the transaction contemplated hereby are provided to Purchaser as a convenience only and that any reliance on or use of such materials, data or information by Purchaser shall be at the sole risk of Purchaser, except as otherwise expressly stated herein. Without limiting the generality of the foregoing provisions, Purchaser acknowledges and agrees that (a) any environmental or other report with respect to the Property which is delivered by Seller to Purchaser shall be for general informational purposes only, (b) Purchaser shall not have any right to rely on any such report delivered by Seller to Purchaser, but rather shall rely on its own inspections and investigations of the Property and any reports commissioned by Purchaser with respect thereto, and (c) neither Seller, any affiliate of Seller nor the person or entity which prepared any such report delivered by Seller to Purchaser shall have any liability to Purchaser for any inaccuracy in or omission from any such report. The provisions of this Section 9.1 shall survive Closing or any termination of this Agreement.

9.2 **DISCLAIMERS.** EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT AND THE DOCUMENTS TO BE DELIVERED AT CLOSING PURSUANT TO SECTIONS 4.2 AND 4.3 HEREOF (THE “**CLOSING DOCUMENTS**”), 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, EXPRESSED OR IMPLIED, WITH RESPECT TO THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OR REPRESENTATIONS AS TO HABITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE (OTHER THAN SELLER’S LIMITED WARRANTY OF TITLE TO BE SET FORTH IN THE DEED), ZONING, TAX CONSEQUENCES, LATENT OR PATENT PHYSICAL OR ENVIRONMENTAL CONDITION, UTILITIES, OPERATING HISTORY OR PROJECTIONS, VALUATION, GOVERNMENTAL APPROVALS, THE COMPLIANCE OF THE PROPERTY WITH GOVERNMENTAL LAWS, THE TRUTH, ACCURACY OR COMPLETENESS OF THE DELIVERIES OR ANY OTHER INFORMATION PROVIDED BY OR ON BEHALF OF SELLER TO PURCHASER, OR ANY OTHER MATTER OR THING REGARDING THE PROPERTY. PURCHASER ACKNOWLEDGES AND AGREES THAT UPON CLOSING SELLER SHALL SELL AND CONVEY TO PURCHASER AND PURCHASER SHALL ACCEPT THE PROPERTY “**AS IS, WHERE IS, WITH ALL FAULTS,**” EXCEPT TO THE EXTENT EXPRESSLY PROVIDED OTHERWISE IN THIS AGREEMENT AND THE CLOSING DOCUMENTS. PURCHASER HAS NOT RELIED AND SHALL NOT RELY ON, AND SELLER IS NOT LIABLE FOR OR BOUND BY, ANY EXPRESSED OR IMPLIED WARRANTIES, GUARANTIES, STATEMENTS,

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REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY OR RELATING THERETO (INCLUDING SPECIFICALLY, WITHOUT LIMITATION, THE DELIVERIES) MADE OR FURNISHED BY SELLER, THE MANAGER OF THE PROPERTY, OR ANY REAL ESTATE BROKER OR AGENT REPRESENTING OR PURPORTING TO REPRESENT SELLER, TO WHOMEVER MADE OR GIVEN, DIRECTLY OR INDIRECTLY, ORALLY OR IN WRITING, UNLESS SPECIFICALLY SET FORTH IN THIS AGREEMENT OR THE CLOSING DOCUMENTS.

PURCHASER REPRESENTS TO SELLER THAT PURCHASER HAS CONDUCTED, OR SHALL CONDUCT PRIOR TO CLOSING, SUCH INVESTIGATIONS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AS PURCHASER DEEMS NECESSARY TO SATISFY ITSELF AS TO THE CONDITION OF THE PROPERTY AND THE EXISTENCE OR NONEXISTENCE OR CURATIVE ACTION TO BE TAKEN WITH RESPECT TO ANY HAZARDOUS OR TOXIC SUBSTANCES ON OR DISCHARGED FROM THE PROPERTY, AND SHALL RELY SOLELY UPON SAME AND NOT UPON ANY INFORMATION PROVIDED BY OR ON BEHALF OF SELLER OR ITS AGENTS OR EMPLOYEES WITH RESPECT THERETO, OTHER THAN SUCH REPRESENTATIONS, WARRANTIES AND COVENANTS OF SELLER AS ARE EXPRESSLY SET FORTH IN THIS AGREEMENT OR THE CLOSING DOCUMENTS. UPON CLOSING, PURCHASER SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING BUT NOT LIMITED TO, CONSTRUCTION DEFECTS AND ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY PURCHASER’S INVESTIGATIONS, AND PURCHASER, UPON CLOSING, SHALL BE DEEMED TO HAVE WAIVED, RELINQUISHED AND RELEASED SELLER (AND SELLER’S AND ITS MEMBERS’ RESPECTIVE OFFICERS, DIRECTORS, PARTNERS, MEMBERS, SHAREHOLDERS, EMPLOYEES AND AGENTS) FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION (INCLUDING CAUSES OF ACTION IN TORT), LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING ATTORNEYS’ FEES AND COURT COSTS) OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, WHICH PURCHASER MIGHT HAVE ASSERTED OR ALLEGED AGAINST SELLER (AND SELLER’S AND ITS MEMBERS’ RESPECTIVE OFFICERS, DIRECTORS, PARTNERS, MEMBERS, SHAREHOLDERS, EMPLOYEES AND AGENTS) AT ANY TIME BY REASON OF OR ARISING OUT OF ANY LATENT OR PATENT CONSTRUCTION DEFECTS OR PHYSICAL CONDITIONS, VIOLATIONS OF ANY APPLICABLE LAWS (INCLUDING, WITHOUT LIMITATION, ANY ENVIRONMENTAL LAWS) AND ANY AND ALL OTHER ACTS, OMISSIONS, EVENTS, CIRCUMSTANCES OR MATTERS REGARDING THE PROPERTY.

PURCHASER AGREES THAT SHOULD ANY CLEANUP, REMEDIATION OR REMOVAL OF HAZARDOUS SUBSTANCES OR OTHER ENVIRONMENTAL CONDITIONS ON THE PROPERTY BE REQUIRED AFTER THE CLOSING DATE, SUCH CLEAN-UP, REMOVAL OR REMEDIATION SHALL BE THE RESPONSIBILITY OF AND SHALL BE PERFORMED AT THE SOLE COST AND EXPENSE OF PURCHASER; PROVIDED, HOWEVER, THAT PURCHASER’S OBLIGATIONS AND LIABILITY UNDER THIS PARAGRAPH WILL NOT EXTEND TO INDEMNIFYING SELLER

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AGAINST, OR RELEASING SELLER FROM, LIABILITY, IF ANY, UNDER APPLICABLE ENVIRONMENTAL LAWS FOR CONTRIBUTION TOWARD PAYMENT OR REIMBURSEMENT OF COSTS OR EXPENSES INCURRED BY ANY PERSON (OR COSTS OR EXPENSES, INCLUDING REASONABLE ATTORNEYS’ FEES, OF DEFENDING AGAINST ANY CLAIM OF SUCH LIABILITY BY ANY PERSON) IN CONNECTION WITH CLEAN-UP, REMOVAL OR REMEDIATION SOLELY WITH RESPECT TO ANY SUCH CLAIM BASED ON FACTS OR CIRCUMSTANCES THAT FIRST AROSE PRIOR TO THE CLOSING DATE WHICH MAY AT ANY TIME BE REQUIRED UNDER APPLICABLE ENVIRONMENTAL LAWS.

ARTICLE X

MISCELLANEOUS

10.1 **Confidentiality.** Prior to Closing, Purchaser and its representatives shall hold in strictest confidence all data and information obtained with respect to Seller or its business, whether obtained before or after the execution and delivery of this Agreement, and shall not disclose the same to others; provided, however, that it is understood and agreed that such restrictions shall not be applicable to disclosures required by applicable law and that Purchaser may disclose such data and information to the employees, lenders, title companies, surveyors, consultants, accountants and attorneys of Purchaser provided that such persons agree to treat such data and information confidentially. If this Agreement is terminated or Purchaser fails to perform hereunder, Purchaser shall promptly return to Seller any statements, documents, schedules, exhibits or other written information obtained from Seller in connection with this Agreement or the transaction contemplated herein. In the event of a breach or threatened breach by Purchaser or its agents or representatives of this Section 10.1, Seller shall be entitled to an injunction restraining Purchaser or its agents or representatives from disclosing, in whole or in part, such confidential information. Nothing herein shall be construed as prohibiting Seller from pursuing any other available remedy at law or in equity for such breach or threatened breach. The provisions of this Section 10.1 shall survive Closing or any termination of this Agreement.

10.2 **Public Disclosure.** Prior to Closing, any release to the public of information with respect to the sale contemplated herein or any matters set forth in this Agreement shall be made only in the form approved by Purchaser and Seller and their respective counsel. Notwithstanding the foregoing, Seller acknowledges that Purchaser is affiliated with a publicly-held corporation, the securities of which are traded on a national securities exchange. Seller further acknowledges 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 material terms hereof, and Seller agrees not to unreasonably withhold its consent to any such press release and consents to all additional statements and disclosures Purchaser may reasonably make in responding to inquiries arising as a result of any such press release.

10.3 **SEC Reporting Requirements.** For the period commencing on the Effective Date and continuing through the first anniversary of the Closing Date, and without limitation of other document production otherwise required of Seller hereunder, Seller shall, from time to

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time, upon reasonable advance written notice from Purchaser, and at Purchaser's cost and expense, provide Purchaser and its representatives, with (i) all financial, leasing and other information pertaining to the period of Seller's ownership and operation of the Property, which information is relevant and reasonably necessary, in the opinion of Purchaser's outside, third party accountants (the "**Accountants**"), to enable Purchaser and its Accountants to prepare financial statements and to conduct audits of such financial statements in accordance with generally accepted auditing standards, such that Purchaser shall be in compliance with any or all of (a) Rule 3-05 or 3-14 of Regulation S-X of the Securities and Exchange Commission (the "**Commission**"), as applicable; (b) any other rule issued by the Commission and applicable to Purchaser; and (c) any registration statement, report or disclosure statement filed with the Commission by, or on behalf of Purchaser; and (ii) a representation letter in a form reasonably acceptable to Seller, signed by the individual(s) responsible for Seller's financial reporting, as prescribed by generally accepted auditing standards promulgated by the Auditing Standards Division of the American Institute of Certified Public Accountants, which representation letter may be required by the Accountants in order to render an opinion concerning Seller's financial statements.

10.4 **Discharge of Obligations.** The acceptance of each Deed by Purchaser shall be deemed to be a full performance and discharge of every representation and warranty made by Seller herein and every agreement and obligation on the part of Seller to be performed pursuant to the provisions of this Agreement, except those which are herein specifically stated to survive Closing.

10.5 **Assignment.** Purchaser may not assign its rights under this Agreement to anyone other than to one or more Permitted Assignees (as defined in this Section 10.5 below) without first obtaining Seller's written approval which may be given or withheld in Seller's sole discretion. Subject to the conditions set forth in this Section 10.5, Purchaser may assign its rights under this Agreement to one or more Permitted Assignees without the prior written consent of Seller. If Purchaser desires to assign its rights under this Agreement to one or more Permitted Assignees, Purchaser shall send written notice to Seller at least five (5) business days prior to the effective date of such assignment stating the names and, if applicable, the constituent persons or entities of the Permitted Assignees. Such assignment shall not become effective until such Permitted Assignees execute an instrument in form and substance attached hereto as Exhibit O whereby the Permitted Assignees expressly assume each of the obligations of Purchaser under this Agreement, including specifically, without limitation, all obligations concerning the Earnest Money. No assignment shall release or otherwise relieve Purchaser from any obligations hereunder. For purposes of this Section 10.5, the term "**Permitted Assignee**" shall mean Purchaser's parent entity, Corporate Office Properties Trust ("**COPT**"), Corporate Office Properties, L.P. ("**COPLP**"), or any majority-owned (i.e., fifty-one percent (51%) or more) entity or affiliate of COPT or COPLP and controlled by COPT or COPLP.

10.6 **Notices.** Any notice pursuant to this Agreement shall be given in writing by (a) personal delivery, or (b) reputable overnight delivery service with proof of delivery, or (c) United States Mail, postage prepaid, registered or certified mail, return receipt requested, or (d) confirmed legible facsimile transmission sent to the intended addressee at the address set forth below, or to such other address or to the attention of such other person as the addressee shall

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have designated by written notice sent in accordance herewith, and shall be deemed to have been given either at the time of personal delivery or refusal of delivery, or, in the case of expedited delivery service or mail, as of the date of the business day of first attempted delivery at the address and in the manner provided herein, or, in the case of facsimile transmission, as of the date of the business day of the facsimile transmission provided that an original of such facsimile is also sent to the intended addressee by means described in clauses (a), (b) or (c) above within twenty four (24) hours of the original facsimile transmission. Unless changed in accordance with the preceding sentence, the addresses for notices given pursuant to this Agreement shall be as follows:

If to Seller: The Brookdale Group
3455 Peachtree Road, N.E.
Suite 700
Atlanta, Georgia 30326
Attention: C. L. Davidson, III
 David M. Hendrickson
 Seabie W Hickson III
Telephone No. (404) 364-8080
Telecopy No. (404) 364-8099

with a copy to: King & Spalding LLP
191 Peachtree Street, N.E.
Atlanta, GA 30303-1763
Attention: Scott J. Arnold
Telephone No. (404) 572-4600
Telecopy No. (404) 572-5148

If to Purchaser: Corporate Office Properties Trust
8815 Centre Park Drive, Suite 400
Columbia, Maryland 21045
Attention: General Counsel
Telephone No. (410) 992-7247
Telecopy No. (410) 992-7534

with a copy to: Shaw Pittman LLP
2300 N Street, N.W.
Washington, D.C. 20037
Attention: Wendelin A. White, Esq.
Telephone No. (202) 663-8360
Telecopy No. (202) 663-8007

10.7 **Modifications.** This Agreement cannot be changed orally, and no executory agreement shall be effective to waive, change, modify or discharge it in whole or in part unless

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such executory agreement is in writing and is signed by the parties against whom enforcement of any waiver, change, modification or discharge is sought.

10.8 **Calculation of Time Periods.** Unless otherwise specified, in computing any period of time described in this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is a Saturday, Sunday or legal holiday under the laws of the State in which the Property is located, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday or legal holiday. The final day of any such period shall be deemed to end at 5 p.m. (local time at the Property).

10.9 **Successors and Assigns.** Subject to Section 10.5 hereof, the terms and provisions of this Agreement are to apply to and bind the permitted successors and assigns of the parties hereto.

10.10 **Entire Agreement.** This Agreement, including the Exhibits, contains the entire agreement between the parties pertaining to the subject matter hereof and fully supersedes all prior written or oral agreements and understandings between the parties pertaining to such subject matter.

10.11 **Further Assurances.** Each party agrees that it shall without further consideration execute and deliver such other documents and take such other action, whether prior or subsequent to Closing, as may be reasonably requested by the other party to consummate more effectively the purposes or subject matter of this Agreement. Without limiting the generality of the foregoing, Purchaser shall, if requested by Seller, execute acknowledgments of receipt with respect to any materials delivered by Seller to Purchaser with respect to the Property. The provisions of this Section 10.11 shall survive Closing.

10.12 **Counterparts.** This Agreement may be executed in counterparts, and all such executed counterparts shall constitute the same agreement. It shall be necessary to account for only one such counterpart in proving this Agreement. To facilitate the execution and delivery of this Agreement, the parties may execute and exchange counterparts of the signature pages by facsimile, and the signature page of either party to any counterpart may be appended to any other counterpart.

10.13 **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall nonetheless remain in full force and effect.

10.14 **Applicable Law.** This Agreement is performable in the state in which the Property is located and shall in all respects be governed by, and construed in accordance with, the substantive federal laws of the United States and the laws of such state. Purchaser and Seller agree that the provisions of this Section 10.14 shall survive the Closing of the transaction contemplated by this Agreement.

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10.15 **No Third Party Beneficiary.** The provisions of this Agreement and of the documents to be executed and delivered at Closing are and shall be for the benefit of Seller and Purchaser only and are not for the benefit of any third party, and, accordingly, no third party, other than Permitted Assignees of Purchaser, shall have the right to enforce the provisions of this Agreement or of the documents to be executed and delivered at Closing.

10.16 **Exhibits and Schedules.** The following schedules or exhibits attached hereto shall be deemed to be an integral part of this Agreement:

(1)	<u>Exhibit A</u>	-	Legal Description of the Land
(2)	<u>Exhibit B</u>	-	Lease and Commission Agreement Schedule
(3)	<u>Exhibit C</u>	-	Operating Agreements Schedule
(4)	<u>Exhibit D</u>	-	Form of Escrow Agreement Re: Earnest Money
(5)	<u>Exhibit E</u>	-	List of Deliveries
(6)	<u>Exhibit F</u>	-	Form of Deed
(7)	<u>Exhibit G</u>	-	Form of Blanket Conveyance, Bill of Sale and Assignment
(8)	<u>Exhibit H</u>	-	Form of Assignment of Landlord's Interest in Leases
(9)	<u>Exhibit I</u>	-	Form of Tenant Notice Letter
(10)	<u>Exhibit J</u>	-	Form of Escrow Agreement Re: Vista Lease
(11)	<u>Exhibit K</u>	-	Form of Rent Roll
(12)	<u>Exhibit L</u>	-	Tenant Estoppel Form
(13)	<u>Exhibit M</u>	-	Association Estoppel Form
(14)	<u>Exhibit N</u>	-	Seller's Estoppel Form
(15)	<u>Exhibit O</u>	-	Form of Assignment of Purchase and Sale Agreement

10.17 **Captions.** The section headings appearing in this Agreement are for convenience of reference only and are not intended, to any extent and for any purpose, to limit or define the text of any section or any subsection hereof.

10.18 **Construction.** The parties acknowledge that the parties and their counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any exhibits or amendments hereto.

10.19 **Termination of Agreement.** It is understood and agreed that if either Purchaser or Seller terminates this Agreement pursuant to a right of termination granted hereunder, such termination shall operate to relieve Seller and Purchaser from all obligations under this Agreement, except for such obligations as are specifically stated herein to survive the termination of this Agreement.

10.20 **Survival.** The provisions of the following Sections of this Agreement shall survive Closing and shall not be merged into the execution and delivery of the Deed: 3.1(c); 4.2(j); 4.4; 5.3; 5.6; 8.1; 9.1; 9.2; 10.1; 10.11; 10.14; 10.20; 10.25 and 10.26.

10.21 **TIME OF ESSENCE.** TIME IS OF THE ESSENCE WITH RESPECT TO EACH AND EVERY PROVISION OF THIS AGREEMENT.

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10.22 **Attorney's Fees.** If any action is brought by either party hereto against the other party, the party in whose favor a final judgment shall be entered shall be entitled to recover court costs and reasonable attorney's fees incurred in connection therewith.

10.24 **Tax Deferred Exchange.** Seller, at the request of Purchaser, agrees to cooperate with Purchaser so that Purchaser may acquire the Property in a tax-deferred exchange pursuant to Section 1031 of the Internal Revenue Code (the "Exchange Transaction"). In order to implement such Exchange Transaction, Purchaser may, upon written notice to Seller, assign its rights, but not its obligations, under this Agreement to a third party designated by Purchaser to act as a qualified intermediary (as such phrase is defined in applicable Internal Revenue Service regulations), and Seller agrees to perform its obligations under this Agreement as to any such qualified intermediary.

Notwithstanding the foregoing, Seller shall not be required, solely for the purpose of Seller's cooperation related to Purchaser's Exchange Transaction, to incur any other cost, expense, obligation or liability whatsoever. Purchaser shall in all events be responsible for all incremental costs and expenses related to the Exchange Transaction, and shall fully indemnify, defend and hold Seller harmless from and against any and all liability, claims, damages, expenses (including reasonable attorneys' fees), proceedings and causes of actions of any kind or nature whatsoever actually incurred by Seller and solely attributable to such Exchange Transaction. The provisions of the immediately preceding sentence shall survive Closing and the transfer of title to the Property to Purchaser. In no event whatsoever shall the Closing be delayed because of any delay relating to the Exchange Transaction.

10.25 **Purchaser's Indemnity.** Purchaser hereby agrees to indemnify Seller against, and to hold Seller harmless from, all claims, demands, causes of action, losses, damages, liabilities, costs and expenses (including, without limitation, attorneys' fees and disbursements) asserted against or incurred by Seller in connection with or arising out of the ownership, maintenance or operation of the Property and attributable to events occurring on or after the Closing Date. Purchaser's obligations under this Section 10.25 shall survive the Closing for 365 days. Notwithstanding anything to the contrary contained herein, (i) Purchaser's indemnity obligations hereunder will not extend to claims arising out of the gross negligence or willful misconduct of Seller, and (ii) in no event shall such indemnification cover any indirect or consequential damages of Seller, including, without limitation, lost profits.

10.26 **Seller's Indemnity.** Seller hereby agrees to indemnify Purchaser against, and to hold Purchaser harmless from, all claims, demands, causes of action, losses, damages, liabilities, costs and expenses (including, without limitation, attorneys' fees and disbursements) asserted against or incurred by Purchaser in connection with or arising out of the ownership, maintenance or operation of the Property and attributable to events occurring prior to the Closing Date and during Seller's ownership of the Property. Seller's obligations under this Section 10.26 shall survive the Closing for 365 days. Notwithstanding anything to the contrary contained herein, (i) Seller's indemnity obligations hereunder will not extend to claims arising out of the gross negligence or willful misconduct of Purchaser, and (ii) in no event shall such indemnification cover any indirect or consequential damages of Purchaser, including, without limitation, lost profits.

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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Effective Date.

SELLER:

TCC DULLES TECH ASSOCIATES, LLC,
a Georgia limited liability company

By: BROOKDALE INVESTORS TWO, L.P.,
a Delaware limited partnership,
as Member

By: Brookdale Partners II, LLC,
a Georgia limited liability company,
as general partner

By: /s/ C.L. Davidson, III
Name: C.L. Davidson, III
Title: Manager

PGI WESTFIELDS ASSOCIATES, LLC,
a Georgia limited liability company

By: BROOKDALE INVESTORS THREE, L.P.,
a Delaware limited partnership, its sole member

By: Brookdale Partners III, LLC,
a Georgia limited liability company,
its sole general partner

By: /s/ C.L. Davidson, III
Name: C.L. Davidson, III
Title: Manager

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PURCHASER:

COPT ACQUISITIONS, INC.,
a Delaware corporation

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

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Brookdale Investors Two, L.P., executes this Agreement below solely for the purposes of (1) acknowledging that it agrees to be bound by the provisions of this Agreement which expressly survive the Closing with respect to DT Center, and (2) agreeing (a) to maintain sufficient assets to satisfy its potential liabilities under this Agreement, and (b) not to liquidate or dissolve during the longest survival period under the Agreement; provided, however, that Brookdale Investors Two, L.P. shall be entitled to sell assets and make distributions related thereto provided that such distributions in an amount sufficient to recall such distributions in an amount sufficient to cover its potential liabilities under this Agreement. This agreement of Brookdale Investors Two, L.P., shall survive Closing under the Agreement for 365 days.

BROOKDALE INVESTORS TWO, L.P., a
Delaware limited partnership

By: **BROOKDALE PARTNERS II, LLC,**
a Georgia limited liability company, General Partner

By: /s/ C.L. Davidson, III
Name: C.L. Davidson, III
Title: Manager

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Brookdale Investors Three, L.P. executes this Agreement below solely for the purpose of (1) acknowledging that it agrees to be bound by Section 5.4(h) hereof and the provisions of this Agreement which expressly survive the Closing with respect to Ridgeview, and (2) agreeing (a) to maintain sufficient assets to satisfy its potential liabilities under this Agreement, and (b) not to liquidate or dissolve during the longest survival period under the Agreement; provided, however, that Brookdale Investors Three, L.P. shall be entitled to sell assets and make distributions related thereto provided that such distributions are made with the express right to recall such distributions in an amount sufficient to cover its potential liabilities under this Agreement. This agreement of Brookdale Investors Three, L.P., shall survive Closing under the Agreement for 365 days.

BROOKDALE INVESTORS THREE, L.P., a
Delaware limited partnership

By: **BROOKDALE PARTNERS III, LLC,**
a Georgia limited liability company, General Partner

By: /s/ C.L. Davidson, III
Name: C.L. Davidson, III
Title: Manager

Exhibit A-1

LEGAL DESCRIPTION OF DT CENTER

PARCEL 1:

Parcel A-2 as shown on plat attached to Deed of Redivision and Dedication of the property of C. Thomas Hicks, III and John Engel, Trustees, recorded in Deed Book 8206 at page 942, in the land records of Fairfax County, Virginia.

PARCEL 2:

Lot A-1A as shown on plat attached to Deed of Resubdivision of the property of Dulles Technology Center Venture, a Virginia limited partnership, recorded in Deed book 10023 at Page 1244, among the land records of Fairfax County, Virginia.

ALL THAT TRACT OR PARCEL OF LAND lying and being situated in Fairfax County, Virginia, and being more particularly described as follows:

BEGINNING at an iron pipe set marking the intersection of the eastern right-of-way line of Fox Mill Road (Route 665) and the southwestern corner of property described as Lot A-1B according to that certain Subdivision Plat recorded in Book 10023, page 1244 in the land records of Fairfax County, Virginia; thence leaving the eastern right-of-way line of Fox Mill Road, run along the southern boundary line of the aforesaid A-1B property the following two (2) courses and distances: (1) South 76° 08' 59" East a distance of 248.41 feet to an iron pipe set; and (2) South 88° 15' 44" East a distance of 252.11 feet to an iron pipe set located on the northwestern boundary line of property now or formerly owned by Joseph H. and Ruth C. Lauanders; thence in a generally southerly direction along the northwestern and southwestern boundary lines of the aforesaid Lauanders property, run the following six (6) courses and distances: (1) South 27° 21' 29" West a distance of 862.00 feet to an iron pipe found; (2) South 62° 38' 31" East a distance of 242.00 feet to an iron pipe found; (3) South 09° 28' 24" West a distance of 190.50 feet to an iron pipe found; (4) South 03° 05' 12" West a distance of 267.12 feet to an iron pipe found; (5) South 11° 54' 04" West a distance of 130.93 feet to an iron pipe set; and (6) South 23° 22' 31" West a distance of 3.95 feet to an iron pipe set located on the northeastern right-of-way line of Fox Mill Road; thence in a northerly direction along the northeastern and eastern right-of-way lines of Fox Mill Road, run the following four (4) courses and distances and following the curvature thereof: (1) North 49° 06' 10" West a distance of 130.79 feet to an iron pipe set; (2) along the arc of a 755.00-foot radius curve to the right having an arc distance of 836.68 feet to an iron pipe set (said arc being subtended by a chord lying to the east thereof bearing North 17° 21' 21" West and being 794.52 feet in length); (3) North 14° 23' 29" East a distance of 288.98 feet to an iron pipe set; and (4) along the arc of an 845.00-foot radius curve to the left having an arc distance of 308.98 feet to an iron pipe set marking the intersection of the eastern right-of-way line of Fox Mill Road and the southwestern corner of the aforesaid Lot A-1B property (said arc being subtended by a chord lying to the west thereof bearing North 03° 54' 56" East and being 307.26 feet in length), said iron pipe set being the **POINT OF BEGINNING**.

The above-described property contains 9.99428 acres (435,351 square feet) and is the same property shown on that certain (i) Plat attached to a Deed of Redivision and Dedication of the property of C. Thomas Hicks, III and John Engel, Trustees recorded in Deed Book 8206, page 942, among the land records of Fairfax County, Virginia and (ii) Plat attached to a Deed of Resubdivision of the property of Dulles Technology Center Venture, a Virginia limited partnership, recorded in Deed Book 10023, page 1244, aforesaid records.

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Exhibit A-2

LEGAL DESCRIPTION OF RIDGEVIEW

All of that certain lot or parcel of land situated, lying and being in Fairfax County, Virginia, and being more particularly described as follows:

TRACT 1

Parcel 15-B-1, Westfields, as shown on plat entitled "Plat Showing Division of Parcel 25 and 15-B Westfields" attached to Deed of Dedication, Boundary Line Adjustments, Easements and Vacations recorded in Deed Book 10935 at page 1264, among the land records of Fairfax County, Virginia, and being more particularly described by metes and bounds description as follows:

Beginning at an iron pipe set on the southerly right-of-way line of Conference Center Drive, variable width said pint being 388.34 feet from the point of curvature of Parkstone Drive, said point also being a northeasterly property corner of Parcel 25A, Westfields;

Thence running with the southerly right-of-way line of Conference Center Drive the following courses and distances:

North 88 degrees 11 minutes 51 seconds East 14.01 feet to an iron pipe set;

North 01 degrees 48 minutes 09 seconds West 12.01 feet to a p.k nail set;

Along the arc of a curve to the left, having a radius of 3,047.00 feet an arc distance of 476.74 feet with the southerly right-of-way line of Conference Center Drive, the chord of said arc running North 83 degrees 42 minutes 54 seconds East 476.25 feet to an iron pipe set at a northwesterly property corner of Parcel 15A, Westfields;

Thence departing from the southerly right-of way line of Conference Center Drive and running with Parcel 15A, Westfields the following courses and distances:

South 10 degrees 46 minutes 02 seconds East 138.32 feet to an iron pipe found;

South 18 degrees 59 minutes 44 seconds East 582.30 feet to an iron pipe found on a northerly property line of Parcel 15C, Westfields,

Thence running with Parcel 15C, Westfields the following courses and distances:

South 71 degrees 00 minutes 14 seconds West 517.77 feet to an iron pipe found;

North 58 degrees 38 minutes 58 seconds West 331.54 feet with the easterly property line of Parcel 25A, Westfields;

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Thence running with the westerly property line of Parcel 25A, Westfields the following course and distances:

Along the arc of a curve to the right having a radius of 498.05 feet an arc distance of 191.13 feet, the chord of said arc running North 23 degrees 02 minutes 00 seconds East 189.96 feet to an iron pipe set;

Along the arc of a curve to the left having a radius of 209.98 feet an arc distance of 196.38 feet, the chord of said arc running North 07 degrees 14 minutes 05 seconds East 189.30 feet to an iron pipe set;

Along the arc of a curve to the right having a radius of 224.80 feet an arc distance of 138.21 feet the chord = of said arc running North 01 degrees 56 minutes 42 seconds West 136.04 feet to an iron pipe set;

Along an arc of a curve to the left having a radius of 289.39 feet an arc distance of 88.63 feet the chord of said arc running North 06 degrees 53 minutes 38 seconds East 88.29 feet to an iron pipe set;

Along the arc of a curve to the left having a radius of 32.81 feet an arc distance of 51.49 feet the chord of said arc running North 46 degrees 50 minutes 29 seconds West 46.37 feet to the point of beginning and containing 10.24272 acres of land more or less.

TRACT II

Parcel 25-A and Parcel 15-B1, Westfields, as shown on plat entitled "Plat Showing Division of Parcel 25 and 15-B Westfields" attached to Deed of Dedication, Boundary Line Adjustment, Easements and Vacations recorded in Deed Book 10935 at Page 1264, among the land records of Fairfax County, Virginia, and being more particularly described by metes and bounds description as follows:

Beginning at an iron pipe set, the intersection of the southerly right-of-way line of Conference Center Drive variable width and the easterly right-of-way of Parkstone Drive variable width;

Thence running with the southerly right-of-way line of Conference Center Drive, the following courses and distances:

South 84 degrees 43 minutes 56 seconds East, 59.91 feet to an iron pipe set;

North 88 degrees 11 minutes 51 seconds East 328.43 feet to an iron pipe set at the northwesterly property corner of Parcel 15-B1, Westfields;

Thence running with the westerly property line of Parcel 15-B1, Westfields, the following courses and distances:

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Along the arc of a curve to the right, having a radius of 32.81 feet, an arc distance of 51.49 feet the chord of said arc running South 46 degrees 50 minutes 29 seconds East 46.37 feet to an iron pipe set;

Along the arc of a curve to the right, having a radius of 289.39 feet, an arc distance of 88.63 feet, the chord of said arc running South 06 degrees 53 minutes 38 seconds West 88.29 feet to an iron pipe set;

Along the arc of a curve to the left, having a radius of 224.80 feet, an arc distance of 138.21 feet the chord of said arc running South 01 degrees 56 minutes 42 seconds East 136.04 feet to an iron pipe set;

Along the arc of a curve to the right, having a radius of 209.98 feet, an arc distance of 196.38 feet the chord of said arc running South 07 degrees 14 minutes 05 seconds West 189.30 feet to an iron pipe set;

Along the arc of a curve to the left, having a radius of 498.05 feet, an arc distance of 191.13 feet the chord of said arc running South 23 degrees 02 minutes 00 seconds West 189.96 feet to an iron pipe set at a southwesterly property corner of Parcel 15-B1, Westfields, the said following courses and distances:

North 58 degrees 38 minutes 58 seconds West 51.13 feet to an iron pipe set;

South 31 degrees 20 minutes 59 seconds West 215.86 feet to an iron pipe found at a northwesterly property corner of Parcel 13, Westfields;

Thence North 72 degrees 58 minutes 27 seconds West 296.20 feet, with the northerly property line of Parcel 13, Westfields, to an iron pipe found on the easterly right-of-way line of Parkstone Drive;

Thence running the easterly right-of-way line of Parkstone Drive the following courses and distances:

Along the arc of a curve to the left, having a radius of 631.00 feet, an arc distance of 56.40 feet the chord of said arc running North 14 degrees 27 minutes 56 seconds West 56.38 feet to an iron pipe set;

North 11 degrees 54 minutes 15 seconds East 326.39 feet to an iron pipe set;

Along the arc of a curve to the left, having a radius of 871.00 feet, an arc distance of 208.37 feet, the chord of said arc running North 05 degrees 03 minutes 04 seconds East 207.87 feet to an iron pipe found;

North 01 degrees 48 minutes 09 seconds West 61.98 feet to an iron pipe found;

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Along the arc of a curve to the right, having a radius of 45.00 feet, an arc distance of 50.09 feet the chord of said arc running North 30 degrees 04 minutes 47 seconds East 47.54 feet to the point of beginning and containing 7.1297 feet, more or less.

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**REINSTATEMENT OF AND FIRST AMENDMENT TO
PURCHASE AND SALE AGREEMENT**

THIS REINSTATEMENT OF AND FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT (this "**Amendment**") is made as of this 20th day of June, 2003 by and among **TCC DULLES TECH ASSOCIATES, LLC**, a Georgia limited liability company ("**Dulles Tech**"), and **PGI WESTFIELDS ASSOCIATES, LLC**, a Georgia limited liability company ("**Westfields**"; Dulles Tech and Westfields are sometimes collectively referred to herein as "**Seller**"), and **COPT ACQUISITIONS, INC.**, a Delaware corporation ("**Purchaser**").

RECITALS

A. Seller and Purchaser are parties to a certain Purchase and Sale Agreement dated as of April 14, 2003 (as amended, the "**Agreement**"), providing for the purchase of certain real properties known as "One & Two Dulles Technology Center" located at 2191 and 2195 Fox Mill Road, Herndon, Fairfax County, Virginia, and "One, Two & Three Ridgeview at Westfields" located at 14900, 14840 and 14850 Conference Center Drive, Chantilly, Fairfax County, Virginia, as more particularly described in the Agreement, and other real and personal property described in the Agreement; and.

B. Purchaser terminated the Agreement on June 5, 2003 pursuant to Section 3.2 of the Agreement.

C. Seller and Purchaser now desire to mutually reinstate, amend and modify the Agreement as more particularly set forth in this Amendment.

NOW THEREFORE, for and in consideration of the mutual covenants of the parties hereto, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed by the parties, and for the benefit which will inure to each party from the execution of this Amendment, Seller and Purchaser hereby agree to reinstate, amend and modify the Agreement as follows, with each reinstatement, amendment and modification to be effective as of the date above:

1. Reinstatement. Except as expressly modified and amended by this Amendment, the Agreement is hereby reinstated, ratified and confirmed by Seller and Purchaser and shall remain in full force and effect and enforceable in accordance with its terms.
2. Defined Terms. Capitalized terms which are not otherwise defined in this Amendment shall have the same meanings ascribed to such terms in the Agreement.
3. Termination of the Inspection Period. Upon the effective date of this Amendment, the Inspection Period will be deemed terminated.

4. Purchaser Approvals and Authorization. Purchaser shall obtain all necessary approvals and authorizations to proceed with the transaction contemplated herein prior to 5:00 PM EDT on Thursday, June 26, 2003 (the "Final Approval Date").

5. Amendment of Vista Lease Escrow Agreement. The Vista Lease Escrow Agreement (Exhibit J to the Agreement) is hereby amended as follows:

- a) the amount of the Escrow Funds will be increased from ONE MILLION DOLLARS (\$1,000,000.00) to ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000.00), and
- b) the amount of the Full Monthly Escrow Release will be increased from \$45,833.33 to \$68,750.00.

6. Purchaser's Reinstatement Modification Option. Prior to 5:00 PM EDT on the first business day following Purchaser's receipt of a copy or facsimile of the fully executed tenant estoppel from Vista Information Technologies, Inc. ("Vista"), Purchaser may, by delivering written notice to Seller, elect to:

- a) reduce the Purchase Price to SEVENTY FOUR MILLION SEVEN HUNDRED THOUSAND DOLLARS (\$74,700,000.00), and
- b) eliminate in its entirety the Vista Lease Escrow Agreement.

If Purchaser fails to make such election in writing in a timely manner, Closing will proceed pursuant to the terms of the Agreement and this Amendment.

7. Earnest Money. Section 1.7 of the Agreement is hereby amended so that Purchaser shall deliver to the Escrow Agent, on or before the Final Approval Date, the amount of TWO MILLION AND NO/100 DOLLARS (\$2,000,000.00) (the "**Earnest Money**"). Purchaser shall deposit the Earnest Money in accordance with Section 1.7 of the Agreement.

8. Agreement Termination Right. Notwithstanding any other provisions of the Agreement or this Amendment to the contrary, Purchaser may elect to terminate the Agreement by delivering to Seller written notice of such election at any time on or before the Final Approval Date. If Purchaser timely delivers such notice to Seller, this Agreement shall thereupon terminate, any Earnest Money previously deposited with the Escrow Agent shall be returned to Purchaser and thereafter neither Party hereto shall have any further rights, obligations or liabilities hereunder except to the extent that any right, obligation or liability set forth in the Agreement expressly survives termination of the Agreement.

9. Closing. Section 4.1 of the Agreement is hereby amended such that (i) Closing shall occur on or before Tuesday, July 29, 2003, and (ii) Purchaser shall have no right to extend the Closing beyond July 29, 2003 without Seller's written consent, which consent may be withheld in Seller's sole and absolute discretion.

10. Substitution of Exhibits B and C. The Agreement is hereby amended by substituting Exhibit B-2 (attached to this Amendment) in place of Exhibit B, and Exhibit C-2 (attached to this Amendment) in place of Exhibit C.

11. Other Matters. The Parties hereby acknowledge and/ or agree to the following:

- a) Seller has recently agreed to amend the lease with Prime Pay Mid-Atlantic, Inc. for the purpose of waiving the tenant's original obligation to provide landlord with a security deposit (which security deposit was never received). Purchaser acknowledges Seller's agreement in this regard and agrees (i) to accept tenant's lease without the requirement for tenant to provide landlord with a security deposit, and (ii) to cooperate in completing whatever documentation may be required to amend tenant's lease in this regard.
- b) Purchaser agrees to assume (rather than to require Seller to terminate, as stipulated in section 5.4(g) of the Agreement) the service agreements described on Exhibit C-2 with respect to "Eureka Broadband Corporation" and "Spectrasite Building Group, Inc."
- c) Purchaser acknowledges that the approval of the Westfield Business Owners Association with respect to the design and installation of certain

rooftop antennas at Ridgeview has not yet been obtained and may not be obtained prior to the Closing. Seller agrees to use good faith efforts to obtain such approval prior to the Closing; however, Purchaser agrees that Seller's receipt of such approval will not be a condition of Closing.

- d) The Parties acknowledge that Seller is responsible for the cost of completing certain recommended remedial work at one of the Ridgeview buildings, which work is described in a report by Bass, Nixon and Kennedy, Inc. Consulting Engineers dated December 12, 2002 (a copy of which has previously been supplied by Seller to Purchaser). If such work has not been completed by Seller prior to Closing, the Parties agree that Purchaser will receive at Closing a credit for the estimated cost to complete such work in a mutually agreeable amount not to exceed \$25,000.

12. No Default. Seller and Purchaser acknowledge that all of the covenants and obligations to be performed under the Agreement by each of them through the date of this Amendment have been performed and that no party is in default under the Agreement, or, to the extent any party has violated or failed to perform any covenant or obligation under the Agreement through the date of this Amendment, each party affected thereby hereby waives all claims and rights with respect thereto. Seller and Purchaser stipulate and agree that, except as

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expressly modified and amended by this Amendment, the Agreement remains in full force and effect and is unmodified.

13. Counterparts. This Amendment may be executed in counterparts, and all such executed counterparts shall constitute the same agreement. It shall be necessary to account for only one such counterpart in proving this Amendment. To facilitate the execution and delivery of this Amendment, the parties may execute and exchange counterparts of the signature pages by facsimile, and the signature page of either party to any counterpart may be appended to any other counterpart.

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IN WITNESS WHEREOF, the parties have duly executed this Amendment as of the date and year first above written.

SELLER:

TCC DULLES TECH ASSOCIATES, LLC,
a Georgia limited liability company

By: BROOKDALE INVESTORS TWO, L.P.,
a Delaware limited partnership,
as Member

By: Brookdale Partners II, LLC,
a Georgia limited liability company,
as general partner

By: /s/ C.L. Davidson, III
Name: C.L. Davidson, III
Title: Manager

PGI WESTFIELDS ASSOCIATES, LLC,
a Georgia limited liability company

By: BROOKDALE INVESTORS THREE, L.P.,
a Delaware limited partnership, its sole member

By: Brookdale Partners III, LLC,
a Georgia limited liability company,
its sole general partner

By: /s/ C.L. Davidson, III
Name: C.L. Davidson, III
Title: Manager

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PURCHASER:

COPT ACQUISITIONS, INC.,
a Delaware corporation

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

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