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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

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**FORM 8-K**

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**CURRENT REPORT**

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

Date of report (Date of earliest event reported) **October 26, 2005**

**CORPORATE OFFICE PROPERTIES TRUST**

(Exact name of registrant as specified in its charter)

**Maryland**  
(State or other jurisdiction of  
incorporation)

**1-14023**  
(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)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02. Results of Operations and Financial Condition**

In connection with its release of earnings on October 26, 2005, the Registrant is making available certain additional information pertaining to its properties and operations as of and for the period ended September 30, 2005. This information is furnished herewith as Exhibit 99.1 and is incorporated herein by reference.

The information included herein, including the exhibits, shall not be deemed "filed" for any purpose, including the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or subject to liabilities of that Section. The information included herein, including the exhibits, shall also not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act regardless of any general incorporation language in such filing.

The Registrant uses non-GAAP financial measures in earnings press releases and information furnished to the Securities and Exchange Commission. The Registrant believes that these measures are helpful to investors in measuring its performance and comparing such performance to other real estate investment trusts ("REITs"). Descriptions of these measures are set forth below.

Earnings per diluted share ("diluted EPS"), as adjusted for issuance costs associated with redeemed preferred shares

This measure is defined as diluted EPS adjusted to eliminate an accounting charge for original issuance costs associated with the redemption of preferred shares of beneficial interest ("preferred shares"). The accounting charge pertains to a restructuring of the Company's equity and is not indicative of normal operations. As such, the Registrant believes that a measure that excludes the accounting charge is a useful supplemental measure in evaluating its operating performance. The Registrant believes that diluted EPS is the most comparable GAAP measure to this measure. A material limitation to this measure is that it does not reflect the effect of preferred share redemptions in accordance with GAAP; the Registrant compensates for this limitation by using diluted EPS and then supplementing its evaluation of that measure with the use of the non-GAAP measure.

Funds from operations ("FFO")

Funds from operations ("FFO") is defined as net income computed using GAAP, excluding gains (or losses) from sales of real estate, plus real estate-related depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures. Gains from sales of newly-developed properties less accumulated depreciation, if any, required under GAAP are included in FFO on the basis that development services are the primary revenue generating activity; the Registrant believes that inclusion of these development gains is in accordance with the National Association of Real Estate Investment Trusts' ("NAREIT") definition of FFO, although others may interpret the definition differently.

Accounting for real estate assets using historical cost accounting under GAAP assumes that the value of real estate assets diminishes predictably over time. NAREIT stated in its April 2002 White Paper on Funds from Operations that "since real estate asset values have historically risen or fallen with market conditions, many industry investors

have considered presentations of operating results for real estate companies that use historical cost accounting to be insufficient by themselves.” As a result, the concept of FFO was created by NAREIT for the REIT industry to “address this problem.” The Registrant agrees with the concept of FFO and believes that FFO is

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useful to management and investors as a supplemental measure of operating performance because, by excluding gains and losses related to sales of previously depreciated operating real estate properties and excluding real estate-related depreciation and amortization, FFO can help one compare the Registrant’s operating performance between periods. In addition, since most equity REITs provide FFO information to the investment community, the Registrant believes that FFO is useful to investors as a supplemental measure for comparing its results to those of other equity REITs. The Registrant believes that net income is the most directly comparable GAAP measure to FFO.

Since FFO excludes certain items includable in net income, reliance on the measure has limitations; management compensates for these limitations by using the measure simply as a supplemental measure that is weighed in the balance with other GAAP and non-GAAP measures. FFO is not necessarily an indication of the Registrant’s cash flow available to fund cash needs. Additionally, it should not be used as an alternative to net income when evaluating the Registrant’s financial performance or to cash flow from operating, investing and financing activities when evaluating the Registrant’s liquidity or ability to make cash distributions or pay debt service. The FFO presented by the Registrant may not be comparable to the FFO presented by other REITs since they may interpret the current NAREIT definition of FFO differently or they may not use the current NAREIT definition of FFO.

#### Basic funds from operations (“Basic FFO”)

Basic FFO is FFO adjusted to (1) subtract preferred share dividends and (2) add back GAAP net income allocated to common units in Corporate Office Properties, L.P. (the “Operating Partnership”) not owned by the Registrant. With these adjustments, Basic FFO represents FFO available to common shareholders and common unitholders. Common units in the Operating Partnership are substantially similar to common shares of beneficial interest in the Registrant (“common shares”); common units in the Operating Partnership are also exchangeable into common shares, subject to certain conditions. The Registrant believes that Basic FFO is useful to investors due to the close correlation of common units to common shares. The Registrant believes that net income is the most directly comparable GAAP measure to Basic FFO. Basic FFO has essentially the same limitations as FFO; management compensates for these limitations in essentially the same manner as described above for FFO.

#### Diluted funds from operations per share (“Diluted FFO per share”)

Diluted FFO per share is (1) Basic FFO adjusted to add back any convertible preferred share dividends and any other changes in Basic FFO that would result from the assumed conversion of securities that are convertible or exchangeable into common shares divided by (2) the sum of the (a) weighted average common shares outstanding during a period, (b) weighted average common units outstanding during a period and (c) weighted average number of potential additional common shares that would have been outstanding during a period if other securities that are convertible or exchangeable into common shares were converted or exchanged. However, the computation of Diluted FFO per share does not assume conversion of securities that are convertible into common shares if the conversion of those securities would increase Diluted FFO per share in a given period. The Registrant believes that Diluted FFO per share is useful to investors because it provides investors with a further context for evaluating its FFO results in the same manner that investors use earnings per share in evaluating net income available to common shareholders. In addition, since most equity REITs provide Diluted FFO per share information to the investment community, the Registrant believes Diluted FFO per share is a useful supplemental measure for comparing the Registrant to other equity REITs. The Registrant believes that diluted EPS is the most directly comparable GAAP measure to Diluted FFO per share. Diluted FFO per share has most of the same limitations as Diluted FFO (described below);

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management compensates for these limitations in essentially the same manner as described below for Diluted FFO.

#### Diluted funds from operations (“Diluted FFO”)

Diluted FFO is Basic FFO adjusted to add back any convertible preferred share dividends and any other changes in Basic FFO that would result from the assumed conversion of securities that are convertible or exchangeable into common shares. However, the computation of Diluted FFO does not assume conversion of securities that are convertible into common shares if the conversion of those securities would increase Diluted FFO per share in a given period. The Registrant believes that Diluted FFO is useful to investors because it is the numerator used to compute Diluted FFO per share. In addition, since most equity REITs provide Diluted FFO information to the investment community, the Registrant believes Diluted FFO is a useful supplemental measure for comparing the Registrant to other equity REITs. The Registrant believes that the numerator to diluted EPS is the most directly comparable GAAP measure to Diluted FFO. Since Diluted FFO excludes certain items includable in the numerator to diluted EPS, reliance on the measure has limitations; management compensates for these limitations by using the measure simply as a supplemental measure that is weighed in the balance with other GAAP and non-GAAP measures. Diluted FFO is not necessarily an indication of the Registrant’s cash flow available to fund cash needs. Additionally, it should not be used as an alternative to net income when evaluating the Registrant’s financial performance or to cash flow from operating, investing and financing activities when evaluating the Registrant’s liquidity or ability to make cash distributions or pay debt service. The Diluted FFO presented by the Registrant may not be comparable to the Diluted FFO presented by other REITs.

#### Diluted FFO, as adjusted for issuance costs associated with redeemed preferred shares

This measure is defined as Diluted FFO adjusted to eliminate an accounting charge for original issuance costs associated with the redemption of preferred shares of beneficial interest. The accounting charge pertains to a restructuring of the Company’s equity and is not indicative of normal operations. As such, the Registrant believes that a measure that excludes the accounting charge is a useful supplemental measure in evaluating its operating performance. The Registrant believes that the numerator to diluted EPS is the most directly comparable GAAP measure to this non-GAAP measure. Diluted FFO, as adjusted for issuance costs associated with redeemed preferred shares, has essentially the same limitations as Diluted FFO, as well as the further limitation of not reflecting the effect of the preferred share redemption in accordance with GAAP; management compensates for these limitations in essentially the same manner as described above for Diluted FFO.

#### Diluted adjusted funds from operations (“Diluted AFFO”)

Diluted AFFO is Diluted FFO adjusted for the following: (1) the elimination of the effect of (a) noncash rental revenues (comprised of straight-line rental adjustments, which includes the amortization of recurring tenant incentives, and amortization of deferred market rental revenue, both of which are described under “Cash NOI” below) and (b) accounting charges for original issuance costs associated with redeemed preferred shares; and (2) recurring capital expenditures (defined below). The Registrant believes that Diluted AFFO is an important supplemental measure of liquidity for an equity REIT because it provides management and investors with an indication of its ability to incur and service debt and to fund dividends and other cash needs. In addition, since most equity REITs provide Diluted AFFO information to the investment community, the Registrant believes that Diluted AFFO is a useful supplemental measure for comparing the Registrant to other equity REITs. The Registrant believes that the numerator to diluted EPS is the most directly comparable GAAP measure to Diluted AFFO. Since Diluted AFFO excludes certain items includable in the numerator to diluted EPS, reliance on the measure

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has limitations; management compensates for these limitations by using the measure simply as a supplemental measure that is weighed in the balance with other GAAP and non-GAAP measures. In addition, see the discussion below regarding the limitations of recurring capital expenditures, which is used to derive Diluted AFFO. Diluted AFFO is not necessarily an indication of the Registrant’s cash flow available to fund cash needs. Additionally, it should not be used as an alternative to net income when evaluating

the Registrant's financial performance or to cash flow from operating, investing and financing activities when evaluating the Registrant's liquidity or ability to make cash distributions or pay debt service. The Diluted AFFO presented by the Registrant may not be comparable to similar measures presented by other equity REITs.

#### Recurring capital expenditures

Recurring capital expenditures are defined as capital expenditures, tenant improvements and incentives and leasing costs associated with operating properties that are not (1) items contemplated prior to the acquisition of a property, (2) improvements associated with the expansion of a building or its improvements, (3) renovations to a building which change the underlying classification of the building (for example, from industrial to office or Class C office to Class B office) or (4) capital improvements that represent the addition of something new to the property rather than the replacement of something (for example, the addition of a new heating and air conditioning unit that is not replacing one that was previously there). The Registrant believes that recurring capital expenditures is an important measure of performance for a REIT because it provides a measure of the capital expenditures that the Registrant can expect to incur on an ongoing basis, which is significant to how the Registrant manages its business since these expenditures are funded using cash flow from operations. As a result, the measure provides a further indication of the cash flow from operations that is available to fund other uses. The Registrant believes that tenant improvements and incentives, capital improvements and leasing costs associated with operating properties are the most directly comparable GAAP measures. Recurring capital expenditures do not reflect all capital expenditures incurred by the Registrant for the periods reported; the Registrant compensates for this limitation by also using the comparable GAAP measure. The recurring capital expenditures presented by the Registrant may not be comparable to the recurring capital expenditures presented by other REITs.

#### Combined real estate revenue

Combined real estate revenue is total revenue from real estate operations, including rental revenue and tenant recoveries and other revenue, including discontinued operations. The Registrant uses this measure to evaluate the revenue produced by its real estate properties, including those reported in discontinued operations. The Registrant believes that total revenue is the most directly comparable GAAP measure to combined real estate revenue. Combined real estate revenue excludes other types of revenue earned by the Registrant, including construction contract and other service operations revenues. The measure also includes discontinued operations and, by doing so, does not reflect the overall operating performance of the Registrant's continuing operations. Management compensates for these limitations by evaluating this measure in conjunction with the most directly comparable GAAP measure and other operating statistics involving revenue.

#### Combined net operating income ("Combined NOI")

Combined NOI is combined real estate revenue reduced by total property expenses associated with real estate operations, including discontinued operations; total property expenses, as used in this definition, do not include depreciation, amortization or interest expense associated with real estate operations. The Registrant believes that Combined NOI is an important supplemental measure of operating performance for a REIT's operating real estate because it provides a measure of the core real estate operations, rather than factoring in depreciation and amortization

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or corporate financing and general and administrative expenses; this measure is particularly useful in the opinion of the Registrant in evaluating the performance of geographic segments, same-office property groupings and individual properties. The Registrant believes that net income is the most directly comparable GAAP measure to Combined NOI. The measure excludes many items that are includable in net income; management compensates for this limitation by using the measure simply as a supplemental measure that is weighed in the balance with other GAAP and non-GAAP measures. It should not be used as an alternative to net income when evaluating the Registrant's financial performance or to cash flow from operating, investing and financing activities when evaluating the Registrant's liquidity or ability to make cash distributions or pay debt service. Combined NOI presented by the Registrant may not be comparable to Combined NOI presented by other equity REITs that define the measure differently.

#### Cash net operating income ("Cash NOI")

Cash NOI is Combined NOI (defined above) adjusted to eliminate the effects of noncash rental revenues (comprised of straight-line rental adjustments, which includes the amortization of recurring tenant incentives, and amortization of deferred market rental revenue). Under GAAP, rental revenue is recognized evenly over the term of tenant leases. Many leases provide for contractual rent increases and the effect of accounting under GAAP for such leases is to accelerate the recognition of lease revenue. Since some leases provide for periods under the lease in which rental concessions are provided to tenants, the effect of accounting under GAAP is to allocate rental revenue to such periods. Also under GAAP, when a property is acquired, in-place operating leases carrying rents above or below market are valued as of the date of the acquisition; such value is then amortized into rental revenue over the lives of the related leases.

The Registrant believes that Cash NOI is an important supplemental measure of operating performance for a REIT's operating real estate because it makes adjustments to Combined NOI for revenue that is not associated with cash to the Registrant. As is the case with Combined NOI, the measure is useful in the opinion of the Registrant in evaluating and comparing the performance of geographic segments, same-office property groupings and individual properties, although, since it adjusts for noncash items, it provides management and investors with a further indication of the Registrant's ability to incur and service debt and to fund dividends and other cash needs. The Registrant believes that net income is the most directly comparable GAAP measure to Cash NOI. The measure excludes many items that are includable in net income; management compensates for this limitation by using the measure simply as a supplemental measure that is weighed in the balance with other GAAP and non-GAAP measures. It should not be used as an alternative to net income when evaluating the Registrant's financial performance or to cash flow from operating, investing and financing activities when evaluating the Registrant's liquidity or ability to make cash distributions or pay debt service. The Cash NOI that the Registrant presents may not be comparable to similar measures presented by other equity REITs.

#### Earnings Before Interest, Income Taxes, Depreciation and Amortization ("EBITDA")

EBITDA is net income adjusted for the effects of interest expense, depreciation and amortization, income taxes and minority interests. The Registrant believes that EBITDA is an important measure of performance for a REIT because it provides a further tool to evaluate the Registrant's ability to incur and service debt and to fund dividends and other cash needs that supplements the previously described non-GAAP measures and to compare the Registrant's operating performance with that of other companies. The Registrant believes that net income is the most directly comparable GAAP measure to EBITDA. EBITDA excludes items that are included in net income, including some that require cash outlays; management compensates for this limitation by using the measure simply as a supplemental measure that is weighed in the balance

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with other GAAP and non-GAAP measures. It should not be used as an alternative to net income when evaluating the Registrant's financial performance or to cash flow from operating, investing and financing activities when evaluating the Registrant's liquidity or ability to make cash distributions or pay debt service. Additionally, EBITDA as reported by the Registrant may not be comparable to EBITDA reported by other equity REITs.

#### Interest Coverage Ratio-Combined NOI and Interest Coverage Ratio-EBITDA

These measures divide either combined NOI or EBITDA by interest expense on continuing and discontinued operations. The Registrant believes that these ratios are useful measures in evaluating the relationship of earnings to the total cash flow requirements for interest on loans associated with operating properties and, as such, are important tools in the Registrant's finance policy management.

#### Debt Service Coverage Ratio-Combined NOI and Debt Service Coverage Ratio-EBITDA

These measures divide either combined NOI or EBITDA by the sum of interest expense on continuing and discontinued operations and scheduled principal amortization on mortgage loans for continuing and discontinued operations. The Registrant believes that these ratios are useful measures in evaluating the relationship of earnings to the total cash flow requirements of loans associated with operating properties and, as such, are important tools in the Registrant's finance policy management.

Fixed Charge Coverage Ratio-Combined NOI and Fixed Charge Coverage Ratio-EBITDA

These measures divide either combined NOI or EBITDA by the sum of (1) interest expense on continuing and discontinued operations, (2) dividends on preferred shares and (3) distributions on preferred units in the Operating Partnership not owned by the Registrant. The Registrant believes that these ratios are useful measures in evaluating the relationship of earnings to the cash flow requirements of (1) interest expense on loans associated with operating properties and (2) dividends to preferred equity holders and, as such, are important tools in the Registrant's finance policy management.

Combined NOI as a Percentage of Combined Real Estate Revenues and EBITDA as a Percentage of Combined Real Estate Revenues

These measures divide either Combined NOI or EBITDA by total real estate revenues from continuing and discontinued operations. The Registrant believes that net income divided by combined real estate revenue is the most directly comparable GAAP measure to these two measures.

General and Administrative Expenses as a Percentage of Combined Real Estate Revenue or EBITDA

These measures divide general and administrative expenses by either Combined Real Estate Revenue or EBITDA. The Registrant believes that general and administrative expenses divided by net income is the most directly comparable GAAP measure.

Recurring Capital Expenditures as a Percentage of Combined NOI

This measure divides recurring capital expenditures by NOI.

FFO Diluted Payout Ratio and AFFO Diluted Payout Ratio

These measures are defined as (1) the sum of (A) dividends on common shares and (B) dividends on common and convertible preferred shares and distributions to holders of interests in the Operating Partnership when such dividends and distributions are included in Diluted FFO and Diluted AFFO divided by (2) either Diluted FFO or Diluted AFFO. The Registrant believes that

these ratios are useful to investors as supplemental measures of its ability to make distributions to investors. In addition, since most equity REITs provide these ratios, the Registrant believes they are useful supplemental measures for comparing the Registrant to other equity REITs. The Registrant believes that Earnings Payout Ratio is the most comparable GAAP measure. Earnings Payout Ratio is defined as dividends on common shares divided by net income available to common shareholders. Since FFO Diluted Payout Ratio and AFFO Diluted Payout Ratio are derived from Diluted FFO and Diluted AFFO, they share the limitations previously discussed for those measures; management compensates for these limitations by using the measures simply as supplemental measures that are weighed in the balance with other GAAP and non-GAAP measures.

Dividend Coverage-FFO Diluted and Dividend Coverage-AFFO Diluted

These measures divide either Diluted FFO or Diluted AFFO by the sum of (1) dividends on common shares and (2) dividends on common and convertible preferred shares and distributions to holders of interests in the Operating Partnership when such dividends and distributions are included in Diluted FFO and Diluted AFFO.

Debt to Undepreciated Book Value of Real Estate Assets

This measure is defined as mortgage loans payable divided by net investment in real estate presented on the Registrant's consolidated balance sheet excluding the effect of accumulated depreciation incurred to date on such real estate. The Registrant believes that the measure of Debt to Undepreciated Real Estate Assets is useful to management and investors as a supplemental measure of its borrowing levels. In addition, since most equity REITs provide Debt to Undepreciated Real Estate Asset information, the Registrant believes Debt to Undepreciated Real Estate Assets is a useful supplemental measure for comparing the Registrant to other equity REITs. The Registrant believes that the measure of Debt to Total Assets, defined as mortgage loans payable divided by total assets, is the most comparable GAAP measure. Debt to Undepreciated Real Estate Assets excludes the effect of accumulated depreciation, other assets and other liabilities; management compensates for these limitations by using the measure simply as a supplemental measure that is weighed with the comparable GAAP measure and other GAAP and non-GAAP measures.

**Item 9.01. Financial Statements and Exhibits**

- (a) Financial Statements of Businesses Acquired
  - None
- (b) Pro Forma Financial Information
  - None
- (c) Exhibits

Exhibit Number	Description
99.1	Supplemental information dated September 30, 2005 for Corporate Office Properties Trust.

**SIGNATURES**

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

Dated: October 26, 2005

CORPORATE OFFICE PROPERTIES TRUST

By: /s/ Randall M. Griffin  
 Name: Randall M. Griffin  
 Title: President and Chief Executive Officer

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

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Exhibit Title</u>
99.1	Supplemental information dated September 30, 2005 for Corporate Office Properties Trust.

Supplemental Information  
(Unaudited)

September 30, 2005



**CORPORATE  
OFFICE  
PROPERTIES**

Corporate Office Properties Trust  
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September 30, 2005

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**To Members of the Investment Community:**

We prepared this supplemental information package to provide you with additional detail on our properties and operations. The information in this package is unaudited, furnished to the Securities and Exchange Commission (“SEC”) and should be read in conjunction with our quarterly and annual reports. If you have any questions or comments, please contact Ms. Mary Ellen Fowler, Vice President, Finance and Investor Relations at (410) 992-7324 or maryellen.fowler@copt.com. Reconciliations between GAAP and non-GAAP measurements have been provided on page 35. Refer to our Form 8-K for definitions of certain terms used herein.

**Reporting Period Highlights – Third Quarter 2005**

**Financial Results**

- Reported Net Income Available to Common Shareholders of \$6,936,000 or \$.18 per diluted share for the third quarter of 2005 as compared to \$4,153,000 or \$.12 per diluted share for the comparable 2004 period, representing an increase of 50.0% per share. Excluding the \$1.8 million writeoff of issuance costs associated with the redemption of our Series B preferred shares, our third quarter 2004 net income available to common shareholders would have been \$.17 per diluted share.
- Reported FFO – diluted of \$22,127,000 or \$.47 per share/unit for the third quarter of 2005 as compared to \$17,368,000 or \$.39 per share/unit for the comparable 2004 period, representing an increase of 20.5% per share/unit. Excluding the \$1.8 million writeoff of issuance costs associated with the redemption of our Series B preferred shares, our third quarter 2004 FFO – diluted would have been \$.43 per diluted share.

- Reported AFFO – diluted of \$15,892,000 for the third quarter of 2005 as compared to \$11,759,000 for the comparable 2004 period, representing an increase of 35.1%.
- Our FFO payout ratio was 60.6% for the third quarter of 2005 as compared to 65.9% for the comparable 2004 period. Our AFFO payout ratio was 84.4% for the third quarter of 2005 as compared to 97.3% for the comparable 2004 period.

#### Financing Activity and Capital Transactions

- On July 11, 2005, we closed a \$36.0 million bridge loan, bearing interest based upon a pricing grid that was initially priced at LIBOR plus 1.25%. Upon its maturity on October 11, 2005, we repaid this loan.
- On September 8, 2005, we closed on a \$19.5 million credit facility to fund the construction of 6711 Columbia Gateway Drive in Columbia, Maryland and have borrowed \$7.1 million as of September 30, 2005.
- Increased our quarterly dividend 9.8% from \$.255 to \$.280 per share.
- On September 28, 2005, we issued 2,300,000 common shares, generating proceeds of \$75.3 million before expenses, or \$32.76 per share. The proceeds were used to pay down our unsecured revolving credit facility.
- As of September 30, 2005, our debt to market capitalization was 37.6% and our debt to undepreciated book value of real estate assets was 58.3%. We achieved an EBITDA interest coverage ratio of 3.17x and an EBITDA fixed charge coverage ratio of 2.51x for this quarter.

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#### Acquisitions

- On July 8, 2005, we paid \$7.6 million in cash and issued 89,879 common units valued at \$2.4 million in exchange for 59 acres of land held for development and a 50,000 square foot build-to-suit opportunity located on 5 acres. The 59 acre land parcel can support up to 650,000 square feet of development and the build-to-suit opportunity is 100% leased. This purchase marks our entry into the East submarket of Colorado Springs, Colorado, which supports Peterson Air Force Base.
- On July 27, 2005, we acquired a building containing 26,500 rentable square feet on 5 acres and an adjacent 4 acre land parcel located in Columbia, Maryland for \$3.8 million.
- On September 19, 2005, we paid \$26.0 million to acquire five office buildings containing 188,819 rentable square feet, located in Columbia, Maryland.
- On September 28, 2005, we paid \$14.7 million to acquire an office building containing 102,717 rentable square feet, located in Colorado Springs, Colorado. We also purchased the adjacent office building containing 33,190 rentable square feet for \$3.3 million. We simultaneously purchased a 50% undivided interest in a 132 acre land parcel, subject to a co-tenancy agreement. This \$10.65 million land purchase was funded with \$2.5 million in cash, a \$6.7 million seller note, and a \$1.5 million bond assumption. The \$6.7 million seller note bears interest at prime rate plus 2.5% and requires \$1.34 million in principal payments each September until maturity in September 2010. The \$1.5 million of Colorado Springs Stout Allen Public Building Authority Bonds Series 1998 bear interest at a fixed rate of 7.0%, require periodic principal payments and mature in December 2018.
- On September 30, 2005, we purchased an office building containing 67,500 rentable square feet located in Colorado Springs, Colorado for \$9.0 million. We assumed a \$5.0 million mortgage loan, which bears interest at a fixed rate of 5.59% and matures in March 2034, unless prepaid without penalty during a three month prepayment period ending in March 2014.

#### Dispositions

- On August 31, 2005, we sold a development office building containing approximately 33,235 rentable square feet, located in Columbia, Maryland, for \$4.8 million. We recognized a gain of \$80,000.
- On September 8, 2005, we sold three office properties containing 152,731 rentable square feet located in three neighboring towns of Cranbury, Monroe Township and Monmouth Junction, New Jersey for \$22.5 million. We recognized a gain of \$4.3 million in our net income available to common shareholders.
- On September 29, 2005, we sold an 80% ownership interest in our entire Harrisburg, Pennsylvania portfolio of sixteen properties containing 671,759 rentable square feet with a total valuation of \$73.0 million. We retained a 20% interest in the limited partnership that now owns the properties. The limited partnership simultaneously closed two ten year mortgage loans totaling \$66.6 million. These loans require interest only payments at a blended fixed interest rate of 5.82%.

#### Development

- Executed a ten year lease for 61,038 square feet with Applied Signal Technology, Inc. at our development property located at 306 Sentinel Drive (known as 306 NBP).

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- During this quarter, we placed into service the entire 103,683 square feet of 2691 Technology Drive (known as 191 NBP). This property is 100% leased to Northrop Grumman Corporation for a seven year term.
- Executed a ten year lease for 53,057 square feet at our development property located at 6711 Columbia Gateway Drive. This lease is for our new corporate headquarters.

#### Operations

- Our wholly owned portfolio was 94.6% occupied and 95.8% leased as of September 30, 2005. Our entire portfolio was 93.8% occupied and 95.0% leased as of September 30, 2005.
- Our same property cash NOI increased by 9.0% or \$2.8 million as compared to the quarter ended September 30, 2004. The primary driver of the increase in cash NOI for our same office portfolio as compared to third quarter of 2004, among other effects, was higher rental revenues of \$2.5 million. This increase was primarily due to improved occupancy and higher rental rates in our Baltimore Washington Corridor and Northern Virginia regions. Our same property portfolio consists of 111 properties and represents 84.4% of our total square feet owned as of September 30, 2005.
- Weighted average lease term of our wholly owned portfolio is 4.9 years as of September 30, 2005, with an average contractual rental rate (including tenant reimbursements of operating costs) of \$20.72 per square foot.
- We renewed 165,311 square feet, or 64.8%, of our expiring office leases (based upon square footage) with an average committed cost of \$9.22 per square foot during the third quarter. For our renewed and retenanted space of approximately 453,716 square feet, we realized a decrease in total rent of (14.3%), as measured from the GAAP straight-line rent in effect preceding the renewal date and a decrease of (22.5%) in total cash rent. We incurred an average committed cost of \$9.04 per square foot for our renewed and retenanted space in the third quarter.
- Executed a long-term lease for 171,200 rentable square feet at 431 Ridge Road and 30,000 rentable square feet at 437 Ridge Road with a large credit worthy tenant.

#### Subsequent Events

- On October 1, 2005, we placed into service the 125,681 square foot development property at 318 Sentinel Drive (known as 318 NBP). This building is 100% leased to a large credit worthy tenant.
- On October 1, 2005, we placed into service the 468,994 square foot office complex known as 8611 Military Drive in San Antonio, Texas. The complex consists of two connected buildings that are 100% leased to a large credit worthy tenant.
- On October 13, 2005, we executed a lease for 32,286 rentable square feet at 306 Sentinel Drive (known as 306 NBP) for a ten year lease term.
- On October 17, 2005, we closed a \$103.0 million, ten year secured loan, requiring interest only payments at a fixed interest rate of 5.53%. In connection with this permanent loan, we terminated our \$73.4 million forward swap and remitted \$603,000.
- On October 21, 2005, we purchased an office building containing 117,803 rentable square feet, on a 21 acre land parcel, located in Frederick, Maryland for \$17.0 million. We leased 58% of this building to Farmers & Mechanics Bank for a ten year term. The land parcel can support future development of two office buildings containing approximately 80,000 square feet.
- On October 24, 2005, we executed a long term lease for 46,748 rentable square feet at 15 Gude Drive, located in Rockville, Maryland.

### Forward-Looking Statements

This supplemental information contains “forward-looking” statements, as defined in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, that are based on our current expectations, estimates and projections about future events and financial trends affecting us. Forward-looking statements can be identified by the use of words such as “may”, “will”, “should”, “expect”, “estimate” or other comparable terminology. Forward-looking statements are inherently subject to risks and uncertainties, many of which we cannot predict with accuracy and some of which we might not even anticipate. Accordingly, we can give no assurance that these expectations, estimates and projections will be achieved. Future events and actual results may differ materially from those discussed in the forward-looking statements.

Important factors that may affect these expectations, estimates, and projections include, but are not limited to:

- our ability to borrow on favorable terms;
- general economic and business conditions, which will, among other things, affect office property demand and rents, tenant creditworthiness, interest rates and financing availability;
- adverse changes in the real estate markets including, among other things, increased competition with other companies;
- risk of real estate acquisition and development, including, among other things, risks that development projects may not be completed on schedule, that tenants may not take occupancy or pay rent or that development or operating costs may be greater than anticipated;
- risks of investing through joint venture structures, including risks that our joint venture partners may not fulfill their financial obligations as investors or may take actions that are inconsistent with our objectives;
- our ability to satisfy and operate effectively under federal income tax rules relating to real estate investment trusts and partnerships;
- governmental actions and initiatives; and
- environmental requirements.

We undertake no obligation to update or supplement any forward-looking statements. For further information, please refer to our filings with the Securities and Exchange Commission, particularly the section entitled “Risk Factors” in Item 1 of our Annual Report on Form 10-K for the year ended December 31, 2004.

### Quarterly Selected Financial Summary Data (Dollars in thousands)

	2005			2004	
	September 30	June 30	March 31	December 31	September 30
Revenues from Real Estate Operations	\$ 62,996	\$ 60,186	\$ 59,705	\$ 57,776	\$ 52,276
Total Revenues	92,780	78,650	76,802	65,491	59,742
Combined Net Operating Income	44,338	43,133	41,709	41,444	36,900
EBITDA	45,918	40,463	39,366	38,439	34,713
Net Income	10,589	10,589	9,040	9,446	9,750
Preferred Share dividends	(3,653)	(3,654)	(3,654)	(3,654)	(3,784)
Issuance costs associated with redeemed preferred shares	—	—	—	—	(1,813)
<b>Net Income Available to Common Shareholders</b>	<b>\$ 6,936</b>	<b>\$ 6,936</b>	<b>\$ 5,386</b>	<b>\$ 5,792</b>	<b>\$ 4,153</b>
<b>Earnings per diluted share</b>	<b>\$ 0.18</b>	<b>\$ 0.18</b>	<b>\$ 0.14</b>	<b>\$ 0.15</b>	<b>\$ 0.12</b>
<b>Earnings per diluted share, as adjusted for issuance costs associated with redeemed preferred shares</b>	<b>\$ 0.18</b>	<b>\$ 0.18</b>	<b>\$ 0.14</b>	<b>\$ 0.15</b>	<b>\$ 0.17</b>
Funds From Operations (FFO) - Diluted	\$ 22,127	\$ 21,834	\$ 21,143	\$ 20,879	\$ 17,368
<b>FFO per diluted share</b>	<b>\$ 0.47</b>	<b>\$ 0.47</b>	<b>\$ 0.45</b>	<b>\$ 0.45</b>	<b>\$ 0.39</b>
<b>FFO per diluted share, as adjusted for issuance costs associated with redeemed preferred shares</b>	<b>\$ 0.47</b>	<b>\$ 0.47</b>	<b>\$ 0.45</b>	<b>\$ 0.45</b>	<b>\$ 0.43</b>
Adjusted FFO - Diluted	\$ 15,892	\$ 16,981	\$ 14,756	\$ 13,164	\$ 11,759

Payout Ratios:



<b>Earnings Payout</b>	<b>158.1%</b>	<b>171.6%</b>	<b>173.4%</b>	<b>160.4%</b>	<b>222.4%</b>
<b>FFO - Diluted</b>	<b>60.6%</b>	<b>53.1%</b>	<b>54.5%</b>	<b>55.4%</b>	<b>65.9%</b>
<b>AFFO - Diluted</b>	<b>84.4%</b>	<b>68.2%</b>	<b>78.1%</b>	<b>87.9%</b>	<b>97.3%</b>
<b>Total Dividends/Distributions</b>	<b>\$ 17,236</b>	<b>\$ 15,405</b>	<b>\$ 15,337</b>	<b>\$ 15,286</b>	<b>\$ 15,235</b>

Note: The above presentation does not separately report discontinued operations.

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**Quarterly Consolidated Balance Sheets**  
(Dollars in thousands except per share data)

	2005			2004	
	September 30	June 30	March 31	December 31	September 30
<b>Assets</b>					
Investment in real estate:					
Land - operational	\$ 268,583	\$ 274,531	\$ 268,307	\$ 268,327	\$ 260,197
Land - development	127,085	108,320	97,085	74,190	75,925
Construction in progress	147,184	138,337	109,345	61,962	49,453
Buildings and improvements	1,315,969	1,333,526	1,294,457	1,280,537	1,231,518
Investment in and advances to unconsolidated real estate joint ventures	1,208	1,233	1,209	1,201	1,094
Less: accumulated depreciation	(163,424)	(165,101)	(153,127)	(141,716)	(131,018)
<b>Net investment in real estate</b>	<b>1,696,605</b>	<b>1,690,846</b>	<b>1,617,276</b>	<b>1,544,501</b>	<b>1,487,169</b>
Cash and cash equivalents	17,348	21,486	6,212	13,821	6,812
Restricted cash	15,083	15,982	13,830	12,617	10,760
Accounts receivable, net	12,537	13,613	17,529	16,771	10,209
Investment in and advances to other unconsolidated entities	1,621	1,621	1,621	1,621	1,621
Deferred rent receivable	30,222	29,291	27,890	26,282	23,383
Deferred charges, net	31,420	28,662	27,168	27,642	26,407
Intangible assets on real estate acquisitions, net	67,686	66,354	64,965	67,560	67,083
Prepaid and other assets	25,465	19,501	19,658	18,646	14,703
Furniture, fixtures and equipment, net	3,709	3,092	2,771	2,565	2,579
<b>Total assets</b>	<b>\$ 1,901,696</b>	<b>\$ 1,890,448</b>	<b>\$ 1,798,920</b>	<b>\$ 1,732,026</b>	<b>\$ 1,650,726</b>
<b>Liabilities and shareholders' equity</b>					
Liabilities:					
Mortgage and other loans payable	\$ 1,124,299	\$ 1,177,779	\$ 1,091,688	\$ 1,022,688	\$ 947,332
Accounts payable and accrued expenses	38,795	53,984	46,400	46,307	41,168
Rents received in advance and security deposits	14,191	13,421	13,298	12,781	11,519
Deferred revenue associated with acquired operating leases	8,045	8,092	6,612	7,247	7,670
Distributions in excess of investment in unconsolidated real estate joint venture	2,519	—	—	—	—
Dividends and distributions payable	16,665	14,834	14,766	14,713	14,533
Fair value of derivatives	1,516	4,188	—	—	45
Other liabilities	4,619	4,024	7,661	7,488	7,115
<b>Total liabilities</b>	<b>1,210,649</b>	<b>1,276,322</b>	<b>1,180,425</b>	<b>1,111,224</b>	<b>1,029,382</b>
Minority interests:					
Preferred units in the Operating Partnership	8,800	8,800	8,800	8,800	8,800
Common units in the Operating Partnership	98,433	87,439	87,539	88,355	90,029
Other consolidated real estate joint ventures	1,297	861	1,699	1,723	1,594
<b>Total minority interests</b>	<b>108,530</b>	<b>97,100</b>	<b>98,038</b>	<b>98,878</b>	<b>100,423</b>
<b>Commitments and contingencies</b>					
	—	—	—	—	—
Shareholders' equity:					
Preferred Shares (\$0.01 par value; 15,000,000 authorized)	67	67	67	67	67
Common Shares of beneficial interest (\$0.01 par value; 75,000,000 authorized, 39,558,398 shares issued as of September 30, 2005)	396	372	370	368	367
Additional paid-in capital	654,024	586,567	582,805	578,228	573,766
Cumulative distributions in excess of net income	(63,256)	(59,226)	(55,312)	(51,358)	(47,862)
Value of unearned restricted common share grants	(7,318)	(7,396)	(7,473)	(5,381)	(5,381)
Accumulated other comprehensive income/(loss)	(1,396)	(3,358)	—	—	(36)
<b>Total shareholders' equity</b>	<b>582,517</b>	<b>517,026</b>	<b>520,457</b>	<b>521,924</b>	<b>520,921</b>
<b>Total shareholders' equity and minority interests</b>	<b>691,047</b>	<b>614,126</b>	<b>618,495</b>	<b>620,802</b>	<b>621,344</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 1,901,696</b>	<b>\$ 1,890,448</b>	<b>\$ 1,798,920</b>	<b>\$ 1,732,026</b>	<b>\$ 1,650,726</b>

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**Quarterly Consolidated Statements of Operations**  
(Dollars and units in thousands)

	2005			2004	
	September 30	June 30	March 31	December 31	September 30
<b>Revenues</b>					
Rental revenue	\$ 54,978	\$ 53,601	\$ 52,430	\$ 51,902	\$ 46,781
Tenant recoveries and other real estate operations revenue	8,018	6,585	7,275	5,874	5,495
Construction contract revenues	28,476	17,445	15,728	6,882	6,766
Other service operations revenues	1,308	1,019	1,369	833	700
<b>Total Revenues</b>	<b>92,780</b>	<b>78,650</b>	<b>76,802</b>	<b>65,491</b>	<b>59,742</b>
<b>Expenses</b>					
Property operating	19,032	17,574	18,565	16,876	15,789
Depreciation and amortization associated with real estate operations	18,004	15,068	14,387	13,668	11,619
Construction contract expenses	28,073	17,223	14,897	6,453	6,483
Other service operations expenses	1,253	955	1,291	823	495
General and administrative expenses	3,318	3,166	3,276	3,467	2,698
<b>Total Operating Expenses</b>	<b>69,680</b>	<b>53,986</b>	<b>52,416</b>	<b>41,287</b>	<b>37,084</b>
Operating Income	23,100	24,664	24,386	24,204	22,658
Interest expense	(14,370)	(13,728)	(13,183)	(12,483)	(10,668)
Amortization of deferred financing costs	(641)	(471)	(396)	(495)	(577)
<b>Income from continuing operations before gain/(loss) on sales of real estate, income taxes and minority interests</b>	<b>8,089</b>	<b>10,465</b>	<b>10,807</b>	<b>11,226</b>	<b>11,413</b>
Gain/(loss) on sales of real estate, excluding discontinued operations	105	210	24	24	24
Income tax (expense)	(294)	(213)	(457)	(420)	(145)
Income from continuing operations before minority interests	7,900	10,462	10,374	10,830	11,292
Minority interest in income from continuing operations					
Common units in the Operating Partnership	(821)	(1,307)	(1,285)	(1,381)	(1,583)
Preferred units in the Operating Partnership	(165)	(165)	(165)	(165)	(14)
Other consolidated entities	19	15	24	12	8
Income from continuing operations	6,933	9,005	8,948	9,296	9,703
Income from discontinued operations, net of minority interests	3,656	115	92	150	47
<b>Net Income</b>	<b>10,589</b>	<b>9,120</b>	<b>9,040</b>	<b>9,446</b>	<b>9,750</b>
Preferred share dividends	(3,653)	(3,654)	(3,654)	(3,654)	(3,784)
Issuance costs associated with redeemed preferred shares	—	—	—	—	(1,813)
<b>Net Income Available to Common Shareholders</b>	<b>\$ 6,936</b>	<b>\$ 5,466</b>	<b>\$ 5,386</b>	<b>\$ 5,792</b>	<b>\$ 4,153</b>
<b>For EPS Computations:</b>					
Numerator for Dilutive EPS	\$ 6,936	\$ 5,466	\$ 5,386	\$ 5,792	\$ 4,153
<b>Denominator:</b>					
Weighted Average Common Shares - Basic	36,913	36,692	36,555	36,296	33,797
Dilutive options	1,667	1,528	1,537	1,638	1,655
Weighted Average Common Shares - Diluted	38,580	38,220	38,092	37,934	35,452
<b>Earnings per diluted share</b>	<b>\$ 0.18</b>	<b>\$ 0.14</b>	<b>\$ 0.14</b>	<b>\$ 0.15</b>	<b>\$ 0.12</b>

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**Quarterly Consolidated Reconciliations of Funds From Operations (FFO), Adjusted Funds From Operations (AFFO) and Earnings per diluted share, as adjusted**  
(Dollars and shares in thousands)

	2005			2004	
	September 30	June 30	March 31	December 31	September 30
<b>Net Income</b>	<b>\$ 10,589</b>	<b>\$ 9,120</b>	<b>\$ 9,040</b>	<b>\$ 9,446</b>	<b>\$ 9,750</b>
Issuance costs associated with redeemed preferred shares	—	—	—	—	(1,813)
Combined real estate related depreciation and other amortization	17,848	15,087	14,505	13,625	11,700
Depreciation and amortization allocable to minority interests in other consol. entities	(23)	(30)	(32)	(30)	(56)
Gain on sales of real estate properties, excluding development	(4,360)	(24)	(24)	(24)	(24)
<b>Funds From Operations (FFO)</b>	<b>24,054</b>	<b>24,153</b>	<b>23,489</b>	<b>23,017</b>	<b>19,557</b>
Minority interest - common units, gross	1,726	1,335	1,308	1,418	1,595
Preferred share dividends	(3,653)	(3,654)	(3,654)	(3,654)	(3,784)
<b>Funds From Operations (FFO) - Basic</b>	<b>22,127</b>	<b>21,834</b>	<b>21,143</b>	<b>20,781</b>	<b>17,368</b>
Restricted share dividends	—	—	—	98	—
<b>Funds From Operations (FFO) - Diluted</b>	<b>\$ 22,127</b>	<b>\$ 21,834</b>	<b>\$ 21,143</b>	<b>\$ 20,879</b>	<b>\$ 17,368</b>
Straight line rent adjustments	(1,519)	(1,369)	(1,583)	(2,895)	(2,519)
Amortization of deferred market rental revenue	229	(191)	(70)	(125)	(224)
Issuance costs associated with redeemed preferred shares	—	—	—	—	1,813

Recurring capital expenditures	(4,945)	(3,293)	(4,734)	(4,695)	(4,679)
<b>Adjusted Funds from Operations - Diluted</b>	<b>\$ 15,892</b>	<b>\$ 16,981</b>	<b>\$ 14,756</b>	<b>\$ 13,164</b>	<b>\$ 11,759</b>
Preferred dividends - redeemable non-convertible (1)	3,653	3,654	3,654	3,654	3,784
Preferred distributions	165	165	165	165	14
Common distributions	2,452	2,205	2,179	2,179	2,202
Common dividends	10,966	9,381	9,339	9,288	9,235
<b>Total Dividends/Distributions</b>	<b>\$ 17,236</b>	<b>\$ 15,405</b>	<b>\$ 15,337</b>	<b>\$ 15,286</b>	<b>\$ 15,235</b>
<b>Denominator for earnings per share - Diluted</b>	<b>38,580</b>	<b>38,220</b>	<b>38,092</b>	<b>37,934</b>	<b>35,452</b>
Common units	8,758	8,676	8,544	8,588	8,690
<b>Denominator for funds from operations per share - Diluted</b>	<b>47,338</b>	<b>46,896</b>	<b>46,636</b>	<b>46,522</b>	<b>44,142</b>
<b>Funds From Operations (FFO) - Diluted</b>	<b>\$ 22,127</b>	<b>\$ 21,834</b>	<b>\$ 21,143</b>	<b>\$ 20,879</b>	<b>\$ 17,368</b>
Issuance costs associated with redeemed preferred shares (1)	n/a	n/a	n/a	n/a	1,813
<b>FFO diluted, as adjusted for issuance costs associated with redeemed preferred shares</b>	<b>\$ 22,127</b>	<b>\$ 21,834</b>	<b>\$ 21,143</b>	<b>\$ 20,879</b>	<b>\$ 19,181</b>
<b>Numerator for Dilutive EPS Computation</b>	<b>\$ 6,936</b>	<b>\$ 5,466</b>	<b>\$ 5,386</b>	<b>\$ 5,792</b>	<b>\$ 4,153</b>
Issuance costs associated with redeemed preferred shares (1)	n/a	n/a	n/a	n/a	1,813
<b>Numerator for Dilutive EPS Computation, as adjusted</b>	<b>\$ 6,936</b>	<b>\$ 5,466</b>	<b>\$ 5,386</b>	<b>\$ 5,792</b>	<b>\$ 5,966</b>
<b>Earnings per diluted share, as adjusted for issuance costs associated with redeemed preferred shares</b>	<b>\$ 0.18</b>	<b>\$ 0.14</b>	<b>\$ 0.14</b>	<b>\$ 0.15</b>	<b>\$ 0.17</b>

(1) Earnings per diluted share and FFO per diluted share have been adjusted to exclude the issuance costs associated with our Series B redeemed preferred shares.

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**Quarterly Consolidated Reconciliations of Earnings Before Interest, Income Taxes, Depreciation and Amortization (EBITDA),  
Combined Net Operating Income (NOI), Discontinued Operations and Gain on Sales of Real Estate  
(Dollars and shares in thousands)**

	2005			2004	
	September 30	June 30	March 31	December 31	September 30
<b>Net Income</b>	<b>\$ 10,589</b>	<b>\$ 9,120</b>	<b>\$ 9,040</b>	<b>\$ 9,446</b>	<b>\$ 9,750</b>
Combined interest expense	14,496	13,916	13,358	12,648	10,839
Amortization of deferred financing costs	641	471	396	495	577
Income tax expense, gross	294	213	457	420	145
Depreciation of furniture, fixtures and equipment	178	171	161	234	101
Combined real estate related depreciation and other amortization	17,848	15,087	14,505	13,625	11,700
Minority interest - preferred units	165	165	165	165	14
Minority interest - consolidated partnerships	(19)	(15)	(24)	(12)	(8)
Minority interest - common units, gross	1,726	1,335	1,308	1,418	1,595
<b>Earnings Before Interest, Income Taxes, Depreciation and Amortization (EBITDA)</b>	<b>\$ 45,918</b>	<b>\$ 40,463</b>	<b>\$ 39,366</b>	<b>\$ 38,439</b>	<b>\$ 34,713</b>
Addback:					
General and administrative	3,318	3,166	3,276	3,467	2,698
(Income) from service operations	(458)	(286)	(909)	(439)	(488)
Gain on sales of depreciated real estate properties	(4,360)	(24)	(24)	(24)	(24)
Merchant sales and real estate services	(80)	(186)	—	1	1
<b>Combined Net Operating Income (NOI)</b>	<b>\$ 44,338</b>	<b>\$ 43,133</b>	<b>\$ 41,709</b>	<b>\$ 41,444</b>	<b>\$ 36,900</b>
<b>Discontinued Operations:</b>					
Revenues from real estate operations	\$ 671	\$ 855	\$ 922	\$ 837	\$ 821
Property operating expenses	(296)	(334)	(353)	(294)	(408)
Depreciation and amortization	(23)	(190)	(279)	(191)	(183)
Interest	(126)	(188)	(175)	(165)	(171)
Gain on sales of real estate	4,335	—	—	—	—
Income from discontinued operations	4,561	143	115	187	59
Minority interests in discontinued operations	(905)	(28)	(23)	(37)	(12)
<b>Income from discontinued operations, net of minority interests</b>	<b>\$ 3,656</b>	<b>\$ 115</b>	<b>\$ 92</b>	<b>\$ 150</b>	<b>\$ 47</b>
<b>Gain/(loss) on sales of real estate per statement of operations</b>	<b>\$ 105</b>	<b>\$ 210</b>	<b>\$ 24</b>	<b>\$ 24</b>	<b>\$ 24</b>
(Loss)/gain on sales of real estate from discontinued operations	4,335	—	—	—	—
<b>Combined gain/(loss) on sales of real estate</b>	<b>4,440</b>	<b>210</b>	<b>24</b>	<b>24</b>	<b>24</b>
Merchant sales and real estate services	(80)	(186)	—	1	1
<b>Gain on sales of depreciated real estate properties</b>	<b>\$ 4,360</b>	<b>\$ 24</b>	<b>\$ 24</b>	<b>\$ 25</b>	<b>\$ 25</b>

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**Quarterly Equity Analysis**  
(Amounts in thousands except per share data, share prices and ratios)

	2005			2004	
	September 30	June 30	March 31	December 31	September 30
<b>Common Equity - End of Quarter</b>					
Common Shares	39,558	37,191	37,043	36,842	36,635
Common Units	8,765	8,675	8,544	8,544	8,634
<b>Total</b>	<b>48,323</b>	<b>45,866</b>	<b>45,587</b>	<b>45,386</b>	<b>45,269</b>
End of Quarter Common Share Price	\$ 34.95	\$ 29.45	\$ 26.48	\$ 29.35	\$ 25.62
<b>Market Value of Common Shares/Units</b>	<b>\$ 1,688,889</b>	<b>\$ 1,350,754</b>	<b>\$ 1,207,144</b>	<b>\$ 1,332,079</b>	<b>\$ 1,159,792</b>
<b>Common Shares Trading Volume</b>					
Average Daily Volume (Shares)	164	145	129	140	135
Average Daily Volume (Dollars in thousands)	\$ 5,391.59	\$ 4,031.40	\$ 3,437.50	\$ 3,829.59	\$ 3,432.70
As a Percentage of Weighted Average Common Shares	0.4%	0.4%	0.4%	0.4%	0.4%
<b>Common Share Price Range</b>					
Quarterly High	\$ 35.68	\$ 29.78	\$ 29.30	\$ 29.37	\$ 26.91
Quarterly Low	\$ 29.27	\$ 25.39	\$ 25.14	\$ 25.70	\$ 24.09
Quarterly Average	\$ 32.98	\$ 27.71	\$ 26.55	\$ 27.39	\$ 25.38
<b>Convertible Preferred Equity - End of Quarter</b>					
Convertible Series I Preferred Units Outstanding (1)	352	352	352	352	352
Conversion Ratio	0.5000	0.5000	0.5000	0.5000	0.5000
Common Shares Issued Assuming Conversion	176	176	176	176	176
<b>Nonconvertible Preferred Equity - End of Quarter</b>					
Redeemable Series E Shares Outstanding	1,150	1,150	1,150	1,150	1,150
Redeemable Series F Shares Outstanding	1,425	1,425	1,425	1,425	1,425
Redeemable Series G Shares Outstanding	2,200	2,200	2,200	2,200	2,200
Redeemable Series H Shares Outstanding	2,000	2,000	2,000	2,000	2,000
<b>Total Nonconvertible Preferred Equity</b>	<b>6,775</b>	<b>6,775</b>	<b>6,775</b>	<b>6,775</b>	<b>6,775</b>
<b>Total Convertible Preferred Equity</b>	<b>352</b>	<b>352</b>	<b>352</b>	<b>352</b>	<b>352</b>
<b>Total Preferred Equity</b>	<b>7,127</b>	<b>7,127</b>	<b>7,127</b>	<b>7,127</b>	<b>7,127</b>
Preferred Share Recorded Book Value	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
<b>Recorded Book Value of Preferred Equity</b>	<b>\$ 178,175</b>	<b>\$ 178,175</b>	<b>\$ 178,175</b>	<b>\$ 178,175</b>	<b>\$ 178,175</b>
<b>Weighted Average Shares:</b>					
Common Shares Outstanding	36,913	36,692	36,555	36,296	33,797
Restricted shares	—	—	—	238	—
Dilutive options	1,667	1,528	1,537	1,638	1,655
Common Units	8,758	8,676	8,544	8,588	8,690
<b>Denominator for funds from operations per share - diluted</b>	<b>47,338</b>	<b>46,896</b>	<b>46,636</b>	<b>46,760</b>	<b>44,142</b>
<b>Capitalization</b>					
Recorded Book Value of Preferred Shares	\$ 178,175	\$ 178,175	\$ 178,175	\$ 178,175	\$ 178,175
Market Value of Common Shares/Units	1,688,889	1,350,754	1,207,144	1,332,079	1,159,792
<b>Total Equity Market Capitalization</b>	<b>\$ 1,867,064</b>	<b>\$ 1,528,929</b>	<b>\$ 1,385,319</b>	<b>\$ 1,510,254</b>	<b>\$ 1,337,967</b>
<b>Total Debt</b>	<b>\$ 1,124,299</b>	<b>\$ 1,177,779</b>	<b>\$ 1,091,688</b>	<b>\$ 1,022,688</b>	<b>\$ 947,332</b>
<b>Total Market Capitalization</b>	<b>\$ 2,991,363</b>	<b>\$ 2,706,708</b>	<b>\$ 2,477,007</b>	<b>\$ 2,532,942</b>	<b>\$ 2,285,299</b>
<b>Debt to Total Market Capitalization</b>	<b>37.6%</b>	<b>43.5%</b>	<b>44.1%</b>	<b>40.4%</b>	<b>41.5%</b>
<b>Debt to Total Assets</b>	<b>59.1%</b>	<b>62.3%</b>	<b>60.7%</b>	<b>59.0%</b>	<b>57.4%</b>
<b>Debt to Undepreciated Book Value of Real Estate Assets</b>	<b>58.3%</b>	<b>61.3%</b>	<b>59.5%</b>	<b>58.3%</b>	<b>56.2%</b>

(1) On September 23, 2004, we issued 352,000 Series I convertible preferred units at a value of \$25.00 per unit.

**Quarterly Debt Analysis**  
(Dollars in thousands)

	2005			2004	
	September 30	June 30	March 31	December 31	September 30
<b>Debt Outstanding</b>					
Mortgage Loans	\$ 787,684	\$ 769,408	\$ 773,315	\$ 792,125	\$ 793,755
Construction Loans	97,615	72,371	48,773	26,963	31,977
Unsecured Revolving Credit Facility	239,000	336,000	269,600	203,600	121,600
	<b>\$ 1,124,299</b>	<b>\$ 1,177,779</b>	<b>\$ 1,091,688</b>	<b>\$ 1,022,688</b>	<b>\$ 947,332</b>
<b>Average Outstanding Balance</b>					
Mortgage Loans	\$ 777,209	\$ 829,493	\$ 778,021	\$ 792,876	\$ 644,324
Construction Loans	83,608	58,167	41,451	31,147	23,843
Unsecured Revolving Credit Facility	352,022	271,201	226,307	155,422	202,573
	<b>\$ 1,212,839</b>	<b>\$ 1,158,861</b>	<b>\$ 1,045,779</b>	<b>\$ 979,445</b>	<b>\$ 870,740</b>
<b>Interest Rate Structure</b>					

Fixed	\$ 710,484	\$ 724,369	\$ 728,232	\$ 738,648	\$ 725,696
Variable	340,415	380,010	363,456	234,040	171,636
Variable Subject to Interest Rate Protection (1) (2)	73,400	73,400	—	50,000	50,000
	<u>\$ 1,124,299</u>	<u>\$ 1,177,779</u>	<u>\$ 1,091,688</u>	<u>\$ 1,022,688</u>	<u>\$ 947,332</u>
% of Fixed Rate Loans (3)	69.72%	67.74%	66.71%	77.12%	81.88%
% of Variable Rate Loans (2) (4)	30.28%	32.26%	33.29%	22.88%	18.12%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

#### Average Interest Rates

Mortgage & Construction Loans	6.23%	6.17%	6.25%	6.10%	6.24%
Unsecured Revolving Credit Facility	4.83%	4.51%	4.06%	3.48%	3.04%
Total Weighted Average	5.76%	5.74%	5.75%	5.85%	5.63%

#### Coverage Ratios (excluding capitalized interest) - All coverage computations include the effect of discontinued operations

Interest Coverage - Combined NOI	3.06x	3.10x	3.12x	3.28x	3.40x
Interest Coverage - EBITDA	3.17x	2.91x	2.95x	3.04x	3.20x
Debt Service Coverage - Combined NOI	2.43x	2.44x	2.01x	2.21x	2.22x
Debt Service Coverage - EBITDA	2.52x	2.29x	1.90x	2.05x	2.09x
Fixed Charge Coverage - Combined NOI	2.42x	2.43x	2.43x	2.52x	2.52x
Fixed Charge Coverage - EBITDA	2.51x	2.28x	2.29x	2.33x	2.37x

(1) We had a \$50 million notional amount swap exchanging 30-day floating LIBOR for LIBOR of 2.308% which expired January 3, 2005.

(2) On April 7, 2005, we entered into a \$73.4 million notional amount forward swap at a fixed rate of 5.0244% which commenced in July 2005. We terminated this forward swap in October 2005 and paid \$603,000.

(3) Includes interest rate protection agreements.

(4) On October 17, 2005, we closed a \$103.0 million, ten year secured loan, requiring interest only payments at a fixed interest rate of 5.53%. If the \$103.0 million loan had closed and if the \$73.4 million notional amount forward swap had terminated as of September 30, 2005, our percentage of variable rate loans would have decreased from 30.28% to 27.65%.

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#### Quarterly Operating Ratios (Dollars in thousands except per share data and ratios)

	2005			2004	
	September 30	June 30	March 31	December 31	September 30
<b>OPERATING RATIOS — All computations include the effect of discontinued operations</b>					
Net Income as a % of Combined Real Estate Revenues (Net Income / Combined Real Estate Revenues)	16.63 %	14.94 %	14.91 %	16.12 %	18.36 %
Combined NOI as a % of Combined Real Estate Revenues (Combined NOI / Combined Real Estate Revenues)	69.64 %	70.66 %	68.80 %	70.71 %	69.50 %
EBITDA as a % of Combined Real Estate Revenues (EBITDA / Combined Real Estate Revenues)	72.12 %	66.29 %	64.93 %	65.58 %	65.38 %
G&A as a % of Net Income (G&A / Net Income)	31.33 %	34.71 %	36.24 %	36.70 %	27.67 %
G&A as a % of Combined Real Estate Revenues (G&A / Combined Real Estate Revenues)	5.21 %	5.19 %	5.40 %	5.91 %	5.08 %
G&A as a % of EBITDA (G&A / EBITDA)	7.23 %	7.82 %	8.32 %	9.02 %	7.77 %
Recurring Capital Expenditures	\$ 4,945	\$ 3,293	\$ 4,734	\$ 4,695	\$ 4,679
Recurring Capital Expenditures per average square foot of wholly owned properties	\$ 0.41	\$ 0.27	\$ 0.40	\$ 0.40	\$ 0.42
Recurring Capital Expenditures as a % of NOI (Combined NOI)	11.15 %	7.63 %	11.35 %	11.33 %	12.68 %

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#### Quarterly Dividend Analysis

	2005			2004	
	September 30	June 30	March 31	December 31	September 30
<b>Common Share Dividends</b>					
Dividends per share/unit	\$ 0.280	\$ 0.255	\$ 0.255	\$ 0.255	\$ 0.255
Increase over prior quarter	9.8%	0.0%	0.0%	0.0%	8.5%
<b>Common Dividend Payout Ratios</b>					
Payout - Earnings	158.1%	171.6%	173.4%	160.4%	222.4%
Payout - FFO - Diluted	60.6%	53.1%	54.5%	55.4%	65.9%
Payout - AFFO - Diluted	84.4%	68.2%	78.1%	87.9%	97.3%

Dividend Coverage - FFO - Diluted	1.65 x	1.88 x	1.84 x	1.81 x	1.52 x
Dividend Coverage - AFFO - Diluted	1.18 x	1.47 x	1.28 x	1.14 x	1.03 x
<b>Common Dividend Yields</b>					
Dividend Yield	3.20%	3.46%	3.85%	3.48%	3.98%
<b>Series I Preferred Unit Distributions (1)</b>					
Preferred Unit Distributions Per Unit	\$ 0.46875	\$ 0.46875	\$ 0.46875	\$ 0.46875	\$ 0.46875
Preferred Unit Distributions Yield	7.50%	7.50%	7.50%	7.50%	7.50%
Quarter End Recorded Book Value	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
<b>Series E Preferred Share Dividends</b>					
Preferred Share Dividends Per Share	\$ 0.64063	\$ 0.64063	\$ 0.64063	\$ 0.64063	\$ 0.64063
Preferred Share Dividend Yield	10.25%	10.25%	10.25%	10.25%	10.25%
Quarter End Recorded Book Value	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
<b>Series F Preferred Share Dividends</b>					
Preferred Share Dividends Per Share	\$ 0.61719	\$ 0.61719	\$ 0.61719	\$ 0.61719	\$ 0.61719
Preferred Share Dividend Yield	9.875%	9.875%	9.875%	9.875%	9.875%
Quarter End Recorded Book Value	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
<b>Series G Preferred Share Dividends</b>					
Preferred Share Dividends Per Share	\$ 0.50000	\$ 0.50000	\$ 0.50000	\$ 0.50000	\$ 0.50000
Preferred Share Dividend Yield	8.000%	8.000%	8.000%	8.000%	8.000%
Quarter End Recorded Book Value	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
<b>Series H Preferred Share Dividends</b>					
Preferred Share Dividends Per Share	\$ 0.46875	\$ 0.46875	\$ 0.46875	\$ 0.46875	\$ 0.46875
Preferred Share Dividend Yield	7.500%	7.500%	7.500%	7.500%	7.500%
Quarter End Recorded Book Value	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00

(1) On September 23, 2004, we issued 352,000 Series I convertible preferred units for \$8.8 million or \$50.00 per common share, on an as-if converted basis.

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**Investor Composition and Analyst Coverage  
(as of September 30, 2005)**

SHAREHOLDER CLASSIFICATION	Common Shares	Common Units	As if Converted Preferred Shares / Units	Total	Fully Diluted Ownership % of Total
Insiders	974,411	7,581,888	—	8,556,299	17.64%
Institutional Ownership	31,884,559	—	—	31,884,559	65.74%
Other / Retail	6,699,428	1,182,655	176,000	8,058,083	16.61%
	<u>39,558,398</u>	<u>8,764,543</u>	<u>176,000</u>	<u>48,498,941</u>	<u>100.00%</u>
RESEARCH COVERAGE	September 30, 2005	June 30, 2005	March 31, 2005	December 31, 2004	September 30, 2004
A. G. Edwards	x	x	x	x	x
Credit Suisse First Boston	x	x	x	x	x
Ferris, Baker Watts, Incorporated	x	x	x	n/a	n/a
Harris Nesbitt Corp.	x	n/a	n/a	n/a	n/a
Legg Mason Wood Walker, Inc.	x	x	x	x	x
Maxcor Financial Group, Inc.	n/a	x	x	x	x
KeyBanc Capital Markets	x	x	x	x	x
Raymond James	x	x	x	x	x
Robert W. Baird & Co. Incorporated	x	x	x	x	n/a
Stifel, Nicolaus & Company, Incorporated	x	x	x	x	x
Wachovia Securities	x	x	x	x	x

Source: Institutional ownership was obtained from filed Forms 13(f) as of June 30, 2005 per Vickers Stock Research Corporation.

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**Debt Maturity Schedule - September 30, 2005  
(Dollars in thousands)**

Year of Maturity	Non-Recourse Debt (1) (4)		Recourse Debt (1) (4)		Wachovia Revolver (2)	Total Scheduled Payments
	Annual Amortization of Monthly Payments	Due on Maturity	Annual Amortization of Monthly Payments	Due on Maturity		

2005	\$	3,630	\$	—	\$	126	\$	45,451	\$	—	\$	49,207
2006		14,757		59,975		5,574		3,685		—		83,991
2007		13,490		65,698		5,613		83,017		—		167,818
2008		11,601		142,903		1,966		39,755		239,000		435,225
2009		8,046		52,228		2,012		—		—		62,286
2010	(3)	7,432		52,177		137		13,821		—		73,567
2011		5,536		102,264		92		—		—		107,892
2012		3,942		36,123		97		—		—		40,162
2013		1,316		96,376		104		—		—		97,796
2014	(5)	143		—		17		4,262		—		4,422
2015		153		—		—		—		—		153
2016		165		—		—		—		—		165
2017		177		—		—		—		—		177
2018		—		193		—		—		—		193
	\$	<u>70,388</u>	\$	<u>607,937</u>	\$	<u>15,738</u>	\$	<u>189,991</u>	\$	<u>239,000</u>	\$	<u>1,123,054</u>

Net premium / (discount) to adjust to fair value of debt

Debt per the Balance Sheet

1,245

\$ 1,124,299

Notes:

- (1) Certain mortgages contain extension options, generally either for a period of six months or one year, subject to certain conditions. The maturity dates presented above in the table assume that the extension options have not been exercised.
- (2) We have the right to extend the Wachovia Revolver for a one-year period, subject to certain conditions, upon maturity in March 2008.
- (3) We assumed that our \$9.8 million non-recourse loan that matures in September 2025 will be called in October 2010. The above table includes the \$8.5 million amount due on maturity in 2010.
- (4) The non-recourse debt presented above includes \$20.0 million of recourse debt primarily relating to the construction of 4851 Stonecroft Boulevard.
- (5) We assumed that our \$5.0 million recourse loan that matures in March 2034 may be prepaid in the three month period ending March 2014, without penalty. The above table includes the \$4.3 million amount due on maturity in 2014.

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**Property Summary by Region - September 30, 2005**  
**Wholly Owned Properties**

Operating Property Count	Office Properties	Submarket	Business Park	Year Built or Renovated	S or M	Total Operational Square Feet	Total Square Feet Under Construction / Redevelopment
<b>Baltimore / Washington Corridor</b>							
1	2730 Hercules Road	BWI Airport	NBP	1990	M	240,336	
	304 Sentinel Drive (304 NBP)	BWI Airport	NBP		M		162,498
	306 Sentinel Drive (306 NBP)	BWI Airport	NBP		M		157,146
2	2720 Technology Drive (220 NBP)	BWI Airport	NBP	2004	M	156,730	
3	2711 Technology Drive (211 NBP)	BWI Airport	NBP	2002	M	152,000	
	322 Sentinel Drive (322 NBP)	BWI Airport	NBP		M		125,847
	318 Sentinel Drive (318 NBP)	BWI Airport	NBP		M		125,681
4	140 National Business Parkway	BWI Airport	NBP	2003	M	119,904	
5	132 National Business Parkway	BWI Airport	NBP	2000	M	118,456	
6	2721 Technology Drive (221 NBP)	BWI Airport	NBP	2000	M	118,093	
7	2701 Technology Drive (201 NBP)	BWI Airport	NBP	2001	M	117,450	
8	2691 Technology Drive (191 NBP)	BWI Airport	NBP	2005	M	103,683	
9	134 National Business Parkway	BWI Airport	NBP	1999	M	93,637	
10	133 National Business Parkway	BWI Airport	NBP	1997	M	88,741	
11	135 National Business Parkway	BWI Airport	NBP	1998	M	87,484	
12	141 National Business Parkway	BWI Airport	NBP	1990	M	87,404	
13	131 National Business Parkway	BWI Airport	NBP	1990	M	69,039	
14	114 National Business Parkway	BWI Airport	NBP	2002	M	9,908	
						<u>1,562,865</u>	<u>571,172</u>
1	1306 Concourse Drive	BWI Airport	APS	1990	M	114,046	
2	870-880 Elkridge Landing Road	BWI Airport	APS	1981	M	105,151	
3	1304 Concourse Drive	BWI Airport	APS	2002	M	101,710	
4	900 Elkridge Landing Road	BWI Airport	APS	1982	M	97,261	
5	1199 Winterson Road	BWI Airport	APS	1988	M	96,636	
6	920 Elkridge Landing Road	BWI Airport	APS	1982	M	96,566	
7	1302 Concourse Drive	BWI Airport	APS	1996	M	84,505	
8	881 Elkridge Landing Road	BWI Airport	APS	1986	M	73,572	
9	1099 Winterson Road	BWI Airport	APS	1988	M	71,076	
10	1190 Winterson Road	BWI Airport	APS	1987	M	69,024	
11	849 International Drive	BWI Airport	APS	1988	M	68,865	
12	911 Elkridge Landing Road	BWI Airport	APS	1985	M	68,296	
13	1201 Winterson Road	BWI Airport	APS	1985	M	67,903	
14	999 Corporate Boulevard	BWI Airport	APS	2000	M	67,456	
15	891 Elkridge Landing Road	BWI Airport	APS	1984	M	58,454	
16	901 Elkridge Landing Road	BWI Airport	APS	1984	M	57,593	
17	930 International Drive	BWI Airport	APS	1986	S	57,409	
18	800 International Drive	BWI Airport	APS	1988	S	57,379	
19	900 International Drive	BWI Airport	APS	1986	S	57,140	
20	921 Elkridge Landing Road	BWI Airport	APS	1983	M	54,175	
21	939 Elkridge Landing Road	BWI Airport	APS	1983	M	53,031	
22	938 Elkridge Landing Road	BWI Airport	APS	1984	M	52,988	
23	940 Elkridge Landing Road	BWI Airport	APS	1984	M	51,704	
						<u>1,681,940</u>	<u>—</u>
1	7467 Ridge Road	BWI Airport	Comm./Pkwy.	1990	M	74,326	
2	7240 Parkway Drive	BWI Airport	Comm./Pkwy.	1985	M	73,960	
3	7318 Parkway Drive	BWI Airport	Comm./Pkwy.	1984	M	59,204	
4	7320 Parkway Drive	BWI Airport	Comm./Pkwy.	1983	S	58,453	



5	1340 Ashton Road	BWI Airport	Comm./Pkwy.	1989	S	46,400		
6	7321 Parkway Drive	BWI Airport	Comm./Pkwy.	1984	S	39,822		
7	1334 Ashton Road	BWI Airport	Comm./Pkwy.	1989	S	37,565		
8	1331 Ashton Road	BWI Airport	Comm./Pkwy.	1989	S	29,936		
9	1350 Dorsey Road	BWI Airport	Comm./Pkwy.	1989	S	19,992		
10	1344 Ashton Road	BWI Airport	Comm./Pkwy.	1989	M	17,061		
11	1341 Ashton Road	BWI Airport	Comm./Pkwy.	1989	S	15,841		
12	1343 Ashton Road	BWI Airport	Comm./Pkwy.	1989	S	9,962		
13	1348 Ashton Road	BWI Airport	Comm./Pkwy.	1988	S	3,108		
						<b>485,630</b>		
50	<b>Subtotal (continued on next page)</b>						<b>3,730,435</b>	<b>571,172</b>

The S or M notation indicates single story or multi-story building, respectively.

**Property Summary by Region - September 30, 2005 (continued)  
Wholly Owned Properties**

Operating Property Count		Submarket	Business Park	Year Built or Renovated	S or M	Total Operational Square Feet	Total Square Feet Under Construction / Redevelopment	
50	<b>Subtotal (continued from prior page)</b>						<b>3,730,435</b>	<b>571,172</b>
1	2500 Riva Road	Annapolis		2000	M	155,000		
1	9140 Route 108	Howard Co. Perimeter	Oakland Ridge	1985	S	150,000		
1	7000 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1999	M	145,806		
	6711 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway		M		125,000	
2	6731 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2002	M	123,760		
3	6940 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1999	M	108,909		
4	6950 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1998	M	107,778		
5	7067 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2001	M	82,953		
	8621 Robert Fulton Drive	Howard Co. Perimeter	Columbia Gateway		M		85,106	
6	6750 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	2001	M	78,460		
7	6700 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	1988	M	74,859		
8	6740 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	1992	M	61,957		
9	8671 Robert Fulton Drive	Howard Co. Perimeter	Columbia Gateway	2002	S	56,350		
10	6716 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	1990	M	52,002		
11	8661 Robert Fulton Drive	Howard Co. Perimeter	Columbia Gateway	2002	S	49,307		
12	7130 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1989	S	46,840		
13	7142 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1994	S	45,951		
14	6708 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	1988	M	39,203		
15	7065 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2000	S	38,560		
16	7138 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1990	S	38,225		
17	7063 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2000	S	36,936		
18	6760 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	1991	M	36,440		
19	7150 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1991	S	35,812		
20	7061 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2000	M	29,604		
21	6724 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	2001	M	28,420		
22	7134 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1990	S	21,991		
						<b>1,340,123</b>	<b>210,106</b>	
1	7200 Riverwood Drive	Howard Co. Perimeter	Rivers 95	1986	S	160,000		
2	9140 Guilford Road	Howard Co. Perimeter	Rivers 95	1983	S	41,704		
3	9160 Guilford Road	Howard Co. Perimeter	Rivers 95	1984	M	36,528		
4	7175 Riverwood Drive	Howard Co. Perimeter	Rivers 95	1996	S	26,500		
5	9150 Guilford Road	Howard Co. Perimeter	Rivers 95	1984	S	18,592		
6	9130 Guilford Road	Howard Co. Perimeter	Rivers 95	1984	S	13,700		
						<b>297,024</b>		
80	<b>Total Baltimore / Washington Corridor</b>						<b>5,672,582</b>	<b>781,278</b>
	<b>Suburban Maryland</b>							
1	11800 Tech Road	North Silver Spring	Montgomery Industrial	1989	M	235,954		
2	400 Professional Drive	Gaithersburg	Crown Point	2000	M	129,030		
3	15 West Gude Drive	Rockville		1986	M	113,114		
4	45 West Gude Drive	Rockville		1987	M	108,588		
5	14502 Greenview Drive	Laurel		1988	M	72,449		
6	14504 Greenview Drive	Laurel		1985	M	69,334		
	<b>Total Suburban Maryland</b>						<b>728,469</b>	
	<b>Other</b>							
1	10150 York Road	North Baltimore Co.		1985	M	176,689		
2	9690 Deereco Road	North Baltimore Co.		1988	M	134,175		
3	375 West Padonia Road	North Baltimore Co.		1986	M	110,328		
4	1615 and 1629 Thames Street	Baltimore City		1989	M	104,203		
	<b>Total Other</b>						<b>525,395</b>	

The S or M notation indicates single story or multi-story building, respectively.

**Property Summary by Region - September 30, 2005 (continued)  
Wholly Owned Properties**

Operating Property Count		Submarket	Business Park	Year Built or Renovated	S or M	Total Operational Square Feet	Total Square Feet Under Construction / Redevelopment
<b>St. Mary's &amp; King George Counties</b>							
1	22309 Exploration Drive	St. Mary's County	Exploration Park	1984/1997	M	98,860	
2	22289 Exploration Drive	St. Mary's County	Exploration Park	2000	M	61,059	
3	22299 Exploration Drive	St. Mary's County	Exploration Park	1998	M	58,509	
4	22300 Exploration Drive	St. Mary's County	Exploration Park	1997	M	44,830	
						<b>263,258</b>	
1	46579 Expedition Drive	St. Mary's County	Expedition Park	2002	M	61,156	
	46591 Expedition Drive	St. Mary's County	Expedition Park		M		61,000



							61,156	61,000
1	4425 Pecan Court	St. Mary's County	Wildewood Tech Park	1997	M		59,055	
2	44408 Pecan Court	St. Mary's County	Wildewood Tech Park	1986	S		50,532	
3	23535 Cottonwood Parkway	St. Mary's County	Wildewood Tech Park	1984	M		46,656	
4	44417 Pecan Court	St. Mary's County	Wildewood Tech Park	1989	S		29,053	
5	44414 Pecan Court	St. Mary's County	Wildewood Tech Park	1986	S		25,444	
6	44420 Pecan Court	St. Mary's County	Wildewood Tech Park	1989	S		25,200	
							235,940	—
1	16480 Commerce Drive	King George County	Dahlgren Technology Center	2000	S		70,728	
2	16541 Commerce Drive	King George County	Dahlgren Technology Center	1996	S		36,053	
3	16539 Commerce Drive	King George County	Dahlgren Technology Center	1990	S		32,076	
4	16442 Commerce Drive	King George County	Dahlgren Technology Center	2002	S		25,518	
5	16501 Commerce Drive	King George County	Dahlgren Technology Center	2002	S		22,860	
6	16543 Commerce Drive	King George County	Dahlgren Technology Center	2002	S		17,370	
							204,605	—
17	<b>Total St. Mary's &amp; King George Counties</b>						<b>764,959</b>	<b>61,000</b>
<b>Northern Virginia</b>								
1	15000 Conference Center Drive	Dulles South	Westfields	1989	M		470,406	
	15010 Conference Center Drive	Dulles South	Westfields		M			213,091
2	15059 Conference Center Drive	Dulles South	Westfields	2000	M		145,192	
3	15049 Conference Center Drive	Dulles South	Westfields	1997	M		145,053	
4	14900 Conference Center Drive	Dulles South	Westfields	1999	M		127,115	
5	14280 Park Meadow Drive	Dulles South	Westfields	1999	M		114,126	
6	4851 Stonecroft Boulevard	Dulles South	Westfields	2004	M		88,094	
7	14850 Conference Center Drive	Dulles South	Westfields	2000	M		69,711	
8	14840 Conference Center Drive	Dulles South	Westfields	2000	M		69,710	
							1,229,407	213,091
1	13200 Woodland Park Road	Herndon	Woodland	2002	M		404,665	
							404,665	—
1	13454 Sunrise Valley Road	Herndon	Dulles Tech	1998	M		113,093	
2	13450 Sunrise Valley Road	Herndon	Dulles Tech	1998	M		53,728	
							166,821	—
1	1751 Pinnacle Drive	Tysons Corner		1989/1995	M		261,031	
2	1753 Pinnacle Drive	Tysons Corner		1976/2004	M		181,637	
							442,668	—
13	<b>Total Northern Virginia</b>						<b>2,243,561</b>	<b>213,091</b>

The S or M notation indicates single story or multi-story building, respectively.

**Property Summary by Region - September 30, 2005 (continued)**  
**Wholly Owned Properties**

Operating Property Count		Submarket	Business Park	Year Built or Renovated	S or M	Total Operational Square Feet	Total Square Feet Under Construction / Redevelopment
<b>Greater Philadelphia</b>							
1	753 Jolly Road	Blue Bell	Unisys campus	1992	M	419,472	
2	785 Jolly Road	Blue Bell	Unisys campus	1996	M	219,065	
3	760 Jolly Road	Blue Bell	Unisys campus	1994	M	208,854	
4	751 Jolly Road	Blue Bell	Unisys campus	1991	M	112,958	
	<b>Total Greater Philadelphia</b>					<b>960,349</b>	—
<b>Northern/Central New Jersey</b>							
1	431 Ridge Road	Exit 8A — Cranbury	Princeton Tech Cntr.	1998	S	171,200	
2	429 Ridge Road	Exit 8A — Cranbury	Princeton Tech Cntr.	1996	M	142,385	
3	68 Culver Road	Exit 8A — Cranbury	Princeton Tech Cntr.	2000	M	57,280	
4	437 Ridge Road	Exit 8A — Cranbury	Princeton Tech Cntr.	1996	S	30,000	
						400,865	—
1	47 Commerce	Exit 8A — Cranbury	Centreport North	1998	S	41,398	
						41,398	—
1	7 Centre Drive	Exit 8A — Cranbury	Monroe Center	1986	S	19,468	
2	8 Centre Drive	Exit 8A — Cranbury	Monroe Center	1989	S	16,199	
3	2 Centre Drive	Exit 8A — Cranbury	Monroe Center	1989	S	16,132	
						51,799	—
1	710 Route 46	Wayne	Fairfield Corp. Cntr.	1985	M	99,609	
						99,609	—
9	<b>Total Northern / Central New Jersey</b>					<b>593,671</b>	—
<b>San Antonio, Texas</b>							
	8611 Military Drive	San Antonio		1982/1985	M	—	468,994
	<b>Total San Antonio, Texas</b>					—	<b>468,994</b>
<b>Colorado Springs</b>							
1	985 Space Center Drive	Colorado Springs East	Patriot Park	1989	M	102,717	
	Patriot Park View	Colorado Springs East	Patriot Park		M		50,000
2	980 Technology Court	Colorado Springs East	Patriot Park	1995	S	33,190	
						135,907	50,000
1	1670 North Newport Road	Colorado Springs East		1986-1987	M	67,500	
						67,500	—

3	Total Colorado Springs	203,407	50,000
136	TOTAL PORTFOLIO	11,692,393	1,574,363

The S or M notation indicates single story or multi-story building, respectively.

**Property Summary by Region - September 30, 2005  
Joint Venture Properties**

Operating Property Count	Submarket	Business Park	Year Built or Renovated	S or M	Total Operational Square Feet	
<b>Greater Harrisburg</b>						
1	2605 Interstate Drive	East Shore	Commerce Park	1990	M	79,456
2	2601 Market Place	East Shore	Commerce Park	1989	M	65,411
					<b>144,867</b>	
1	6345 Flank Drive	East Shore	Gtwy Corp. Ctr.	1989	S	69,443
2	6340 Flank Drive	East Shore	Gtwy Corp. Ctr.	1988	S	68,200
3	6400 Flank Drive	East Shore	Gtwy Corp. Ctr.	1992	S	52,439
4	6360 Flank Drive	East Shore	Gtwy Corp. Ctr.	1988	S	46,500
5	6385 Flank Drive	East Shore	Gtwy Corp. Ctr.	1995	S	32,921
6	6380 Flank Drive	East Shore	Gtwy Corp. Ctr.	1991	S	32,668
7	6405 Flank Drive	East Shore	Gtwy Corp. Ctr.	1991	S	32,000
8	95 Shannon Road	East Shore	Gtwy Corp. Ctr.	1999	S	21,976
9	75 Shannon Road	East Shore	Gtwy Corp. Ctr.	1999	S	20,887
10	6375 Flank Drive	East Shore	Gtwy Corp. Ctr.	2000	S	19,783
11	85 Shannon Road	East Shore	Gtwy Corp. Ctr.	1999	S	12,863
					<b>409,680</b>	
1	5035 Ritter Road	West Shore	Rossmoyne Bus. Ctr.	1988	S	56,556
2	5070 Ritter Road - Building A	West Shore	Rossmoyne Bus. Ctr.	1989	S	32,309
3	5070 Ritter Road - Building B	West Shore	Rossmoyne Bus. Ctr.	1989	S	28,347
					<b>117,212</b>	
<b>16</b>	<b>Total Greater Harrisburg</b>				<b>671,759</b>	
<b>Northern/Central New Jersey</b>						
1	695 Route 46	Wayne	Fairfield Corp. Cntr.	1990	M	157,394
					<b>157,394</b>	
<b>Suburban Maryland</b>						
1	4230 Forbes Boulevard	Lanham	Forbes 50	2003	S	55,866
					<b>55,866</b>	
<b>18</b>	<b>TOTAL PORTFOLIO</b>				<b>885,019</b>	

The S or M notation indicates single story or multi-story building, respectively.

**Property Occupancy Rates by Region by Quarter  
Wholly Owned Properties**

	Baltimore / Washington Corridor	Northern Virginia	Northern / Central New Jersey	Greater Philadelphia	Greater Harrisburg	Suburban Maryland	Other	St. Mary's & King George Counties	Colorado Springs	Total Portfolio
<b>September 30, 2005</b>										
Number of Buildings	80	13	9	4	—	6	4	17	3	136
Rentable Square Feet	5,672,582	2,243,561	593,671	960,349	—	728,469	525,395	764,959	203,407	11,692,393
Occupied %	95.82%	94.90%	96.88%	100.00%	—	80.24%	86.90%	95.17%	95.46%	94.62%
Leased %	96.70%	97.57%	96.88%	100.00%	—	80.24%	92.05%	95.33%	95.46%	95.80%
<b>June 30, 2005</b>										
Number of Buildings	73	13	13	4	16	7	4	17	n/a	147
Rentable Square Feet	5,354,519	2,244,018	904,250	960,349	671,759	784,335	525,406	764,959	n/a	12,209,595
Occupied %	95.81%	94.64%	77.44%	100.00%	84.93%	76.01%	98.04%	97.86%	0.00%	92.92%
Leased %										93.75%
<b>March 31, 2005</b>										
Number of Buildings	73	13	13	4	16	5	4	17	n/a	145
Rentable Square Feet	5,348,868	2,244,018	904,250	960,349	671,759	562,576	525,406	764,711	n/a	11,981,937
Occupied %	94.44%	93.37%	74.41%	100.00%	86.75%	81.52%	97.62%	97.06%	0.00%	92.44%
Leased %										93.19%
<b>December 31, 2004</b>										
Number of Buildings	73	13	13	4	16	5	4	17	n/a	145
Rentable Square Feet	5,347,828	2,241,452	904,250	960,349	671,759	562,577	525,327	764,711	n/a	11,978,253
Occupied %	95.64%	94.49%	91.25%	100.00%	85.37%	79.38%	90.98%	96.87%	0.00%	93.98%

Leased % 94.96%

**September 30, 2004**

Number of Buildings	73	12	13	4	16	5	4	9	n/a	136
Rentable Square Feet	5,347,301	2,153,358	904,250	960,349	672,572	561,979	527,168	489,924	n/a	11,616,901
Occupied %	94.93%	94.21%	91.09%	100.00%	83.69%	81.03%	82.86%	94.76%	0.00%	93.04%
Leased %										94.87%

Note: We now report our occupancy and leased activity for joint venture properties separately on page 22, effective in the third quarter 2005. Prior quarters have not been restated.

**Property Occupancy Rates by Region by Quarter  
Joint Venture Properties**

	<u>Northern / Central New Jersey</u>	<u>Greater Harrisburg</u>	<u>Suburban Maryland</u>	<u>Total Portfolio</u>
<b>September 30, 2005</b>				
Number of Buildings	1	16	1	18
Rentable Square Feet	157,394	671,759	55,866	885,019
Occupied %	78.49%	87.54%	47.95%	83.43%
Leased %	80.72%	87.79%	47.95%	84.01%

Note: We previously reported our occupancy and leased percentages for joint venture properties as part of our entire portfolio on page 21. We now report these percentages for joint venture properties separately, effective in the third quarter 2005. Prior quarters have not been restated.

**Reconciliation of Wholly Owned Properties to Entire  
Portfolio as of September 30, 2005**

	<u>Count</u>	<u>Square Feet</u>	<u>Occupied %</u>	<u>Leased %</u>
Wholly Owned Properties	136	11,692,393	94.62%	95.80%
Add: Joint Venture Properties	18	885,019	83.43%	84.01%
Entire Portfolio	<u>154</u>	<u>12,577,412</u>	<u>93.83%</u>	<u>94.97%</u>

**Top Twenty Office Tenants of Wholly Owned Properties as of September 30, 2005  
(Dollars and square feet in thousands)**

<u>Tenant</u>	<u>Number of Leases</u>	<u>Total Occupied Square Feet</u>	<u>Percentage of Total Occupied Square Feet</u>	<u>Total Annualized Rental Revenue (1) (6)</u>	<u>Percentage of Total Annualized Rental Revenue</u>	<u>Weighted Average Remaining Lease Term (2)</u>	
United States of America	(3)	37	1,412,699	12.8%	\$ 31,887	13.9%	4.5
Booz Allen Hamilton, Inc.		11	534,787	4.8%	12,981	5.7%	7.3
Northrop Grumman Corporation		12	524,884	4.7%	11,530	5.0%	3.4
Computer Sciences Corporation	(4)	4	454,902	4.1%	10,701	4.7%	5.7
L-3 Communications Titan Corporation	(4)	5	239,153	2.2%	8,699	3.8%	7.8
Unisys	(5)	3	741,284	6.7%	8,060	3.5%	3.8
General Dynamics Corporation		9	278,239	2.5%	6,765	3.0%	3.3
AT&T Corporation	(4)	7	262,302	2.4%	6,012	2.6%	3.3
The Aerospace Corporation		2	221,785	2.0%	5,779	2.5%	9.2
Wachovia Bank		3	176,470	1.6%	5,324	2.3%	13.2
The Boeing Company	(4)	5	162,279	1.5%	4,168	1.8%	3.7
Ciena Corporation		3	221,609	2.0%	3,333	1.5%	2.6
VeriSign, Inc.		1	99,121	0.9%	3,272	1.4%	8.8
Magellan Health Services, Inc.		2	142,199	1.3%	2,867	1.3%	5.8
PricewaterhouseCoopers		1	97,638	0.9%	2,720	1.2%	0.4
Johns Hopkins University	(4)	7	106,473	1.0%	2,586	1.1%	1.9
Merck & Co., Inc. (Unisys)	(5)	1	219,065	2.0%	2,419	1.1%	3.8
Wyle Laboratories, Inc.		4	174,792	1.6%	2,348	1.0%	6.8
Carefirst, Inc. and Subsidiaries	(4)	3	94,223	0.9%	2,277	1.0%	2.3
BAE Systems PLC		7	199,212	1.8%	2,260	1.0%	1.3
<b>Subtotal Top 20 Office Tenants</b>		<b>127</b>	<b>6,363,116</b>	<b>57.5%</b>	<b>135,987</b>	<b>59.3%</b>	<b>5.2</b>
All remaining tenants		442	4,700,128	42.5%	93,292	40.7%	4.3
Total/Weighted Average		<u>569</u>	<u>11,063,244</u>	<u>100.0%</u>	<u>\$ 229,279</u>	<u>100.0%</u>	<u>4.9</u>

(1) Total Annualized Rental Revenue is the monthly contractual base rent as of September 30, 2005 multiplied by 12 plus the estimated annualized expense reimbursements under existing office leases.

(2) The weighting of the lease term was computed using Total Rental Revenue.

(3) Many of our government leases are subject to early termination provisions which are customary to government leases. The weighted average remaining lease term was computed assuming no exercise of such early termination rights.

(4) Includes affiliated organizations or agencies.

(5) Merck & Co., Inc. subleases 219,065 rentable square feet from Unisys' 960,349 leased rentable square feet.

(6) Order of tenants is based on Annualized Rent.

**Combined Real Estate Revenue by Geographic Region by Quarter**  
(Dollars in thousands)

	2005			2004	
	September 30	June 30	March 31	December 31	September 30
<b>Office Properties:</b>					
Baltimore/Washington Corridor	\$ 30,771	\$ 29,088	\$ 29,679	\$ 28,725	\$ 26,924
Northern Virginia	15,473	14,385	14,419	14,405	10,120
Northern/Central New Jersey	3,862	3,179	3,871	4,757	4,696
Greater Philadelphia	2,506	2,506	2,506	2,506	2,506
Greater Harrisburg	2,197	2,166	2,244	2,172	2,272
St. Mary's and King George Counties	2,900	3,933	2,878	1,948	1,750
Suburban Maryland	3,354	3,133	2,454	2,389	2,622
Other	2,720	2,692	2,662	2,403	2,173
Colorado Springs	23	—	—	—	—
Subtotal	63,806	61,082	60,713	59,305	53,063
Eliminations / other	(139)	(41)	(87)	(691)	34
<b>Combined Real Estate Revenues</b>	<b>\$ 63,667</b>	<b>\$ 61,041</b>	<b>\$ 60,626</b>	<b>\$ 58,614</b>	<b>\$ 53,097</b>

**Combined Net Operating Income by Geographic Region by Quarter**  
(Dollars in thousands)

	2005			2004	
	September 30	June 30	March 31	December 31	September 30
<b>Office Properties:</b>					
Baltimore/Washington Corridor	\$ 21,524	\$ 20,550	\$ 20,270	\$ 19,873	\$ 18,266
Northern Virginia	10,266	9,603	9,404	9,634	6,955
Northern/Central New Jersey	2,244	1,656	2,361	3,508	3,309
Greater Philadelphia	2,464	2,469	2,471	2,459	2,467
Greater Harrisburg	1,425	1,504	1,500	1,489	1,582
St. Mary's and King George Counties	2,186	3,288	2,172	1,388	1,374
Suburban Maryland	2,122	2,052	1,365	1,321	1,695
Other	1,639	1,724	1,490	1,377	1,216
Colorado Springs	(14)	—	—	—	—
Subtotal	43,856	42,846	41,033	41,049	36,864
Eliminations / other	482	287	676	395	36
<b>Combined NOI</b>	<b>\$ 44,338</b>	<b>\$ 43,133</b>	<b>\$ 41,709</b>	<b>\$ 41,444</b>	<b>\$ 36,900</b>

**Same Office Property Cash Net Operating Income by Quarter**  
(Dollars in thousands)

	2005			2004	
	September 30	June 30	March 31	December 31	September 30
<b>Office Properties: (1)</b>					
Baltimore/Washington Corridor	\$ 18,731	\$ 18,385	\$ 18,004	\$ 17,653	\$ 17,171
Northern Virginia	6,851	6,291	6,130	5,058	5,006
Northern/Central New Jersey	1,960	1,197	1,875	3,035	2,917
Greater Philadelphia	2,578	2,533	2,534	2,523	2,530
Suburban Maryland	1,507	1,465	1,227	1,177	1,535
St. Mary's and King George Counties	1,329	1,332	1,254	1,202	1,331
Other	1,590	1,611	1,250	1,266	1,210
<b>Total Office Properties</b>	<b>\$ 34,546</b>	<b>\$ 32,814</b>	<b>\$ 32,274</b>	<b>\$ 31,914</b>	<b>\$ 31,700</b>

**Same Office Property GAAP Net Operating Income by Quarter**  
(Dollars in thousands)

	2005			2004	
	September 30	June 30	March 31	December 31	September 30
<b>Office Properties: (1)</b>					

Baltimore/Washington Corridor	\$ 19,411	\$ 18,928	\$ 18,645	\$ 18,327	\$ 18,074
Northern Virginia	6,455	6,514	6,338	6,655	6,684
Northern/Central New Jersey	1,924	1,209	1,864	3,039	2,966
Greater Philadelphia	2,465	2,471	2,472	2,461	2,468
Suburban Maryland	1,627	1,514	1,295	1,239	1,612
St. Mary's and King George Counties	1,331	1,338	1,264	1,220	1,375
Other	1,642	1,724	1,490	1,377	1,216
<b>Total Office Properties</b>	<b>\$ 34,855</b>	<b>\$ 33,698</b>	<b>\$ 33,368</b>	<b>\$ 34,318</b>	<b>\$ 34,395</b>

(1) Same office properties include buildings owned for a minimum of five reporting quarters. Amounts reported do not include the effects of eliminations.

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#### Average Occupancy Rates by Region for Same Office Properties (1)

	Baltimore / Washington Corridor	Northern Virginia	Northern / Central New Jersey	Greater Philadelphia	Suburban Maryland	Other	St.Mary's and King George Counties	Total Office
<b>3rd Quarter 2005 Average</b>								
Number of Buildings	72	9	9	4	4	4	9	111
Rentable Square Feet	5,197,464	1,598,825	593,974	960,349	506,767	525,402	490,324	9,873,105
Percent Occupied	95.76%	94.08%	76.45%	100.00%	88.24%	89.28%	97.12%	94.07%
<b>2nd Quarter 2005 Average</b>								
Number of Buildings	72	9	9	4	4	4	9	111
Rentable Square Feet	5,195,975	1,599,130	594,125	960,349	506,748	525,406	490,241	9,871,974
Percent Occupied	95.28%	93.84%	69.90%	100.00%	85.54%	97.58%	96.10%	93.64%
<b>1st Quarter 2005 Average</b>								
Number of Buildings	72	9	9	4	4	4	9	111
Rentable Square Feet	5,191,942	1,599,130	594,125	960,349	506,710	525,380	490,076	9,867,712
Percent Occupied	94.27%	93.81%	75.27%	100.00%	84.10%	96.15%	95.31%	93.24%
<b>4th Quarter 2004 Average</b>								
Number of Buildings	72	9	9	4	4	4	9	111
Rentable Square Feet	5,191,006	1,599,130	594,125	960,349	506,553	526,710	490,076	9,867,949
Percent Occupied	94.82%	95.52%	93.37%	100.00%	82.92%	88.14%	95.45%	94.41%
<b>3rd Quarter 2004 Average</b>								
Number of Buildings	72	9	9	4	4	4	9	111
Rentable Square Feet	5,190,524	1,599,130	594,125	960,349	506,112	527,420	489,924	9,867,584
Percent Occupied	94.29%	95.22%	94.20%	100.00%	84.66%	82.82%	94.80%	93.91%

(1) Same office properties include buildings owned for a minimum of five reporting quarters.

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#### Office Lease Expiration Analysis by Year for Wholly Owned Properties

Year of Lease Expiration (1)	Number of Leases Expiring	Square Footage of Leases Expiring	Percentage of Total Occupied Square Feet	Total Annualized Rental Revenue of Expiring Leases (2)	Percentage of Total Annualized Rental Revenue Expiring	Total Annual Rental Revenue of Expiring Leases per Occupied Square Foot
				(000's)		
October - December	22	138,752	1.3 %	\$ 2,972	1.3 %	\$ 21.42
<b>Total 2005</b>	<b>22</b>	<b>138,752</b>	<b>1.3 %</b>	<b>2,972</b>	<b>1.3 %</b>	<b>21.42</b>
January - March	20	287,430	2.6 %	6,286	2.7 %	21.87
April - June	21	222,718	2.0 %	4,110	1.8 %	18.45
July - September	16	238,964	2.2 %	3,896	1.7 %	16.30
October - December	18	253,939	2.3 %	5,791	2.5 %	22.81
<b>Total 2006</b>	<b>75</b>	<b>1,003,051</b>	<b>9.1 %</b>	<b>20,084</b>	<b>8.8 %</b>	<b>20.02</b>
<b>2007</b>	<b>96</b>	<b>1,408,114</b>	<b>12.7 %</b>	<b>29,508</b>	<b>12.9 %</b>	<b>20.96</b>
<b>2008</b>	<b>97</b>	<b>1,338,071</b>	<b>12.1 %</b>	<b>28,378</b>	<b>12.4 %</b>	<b>21.21</b>
<b>2009</b>	<b>98</b>	<b>2,309,396</b>	<b>20.9 %</b>	<b>38,132</b>	<b>16.6 %</b>	<b>16.51</b>
<b>2010</b>	<b>83</b>	<b>1,546,958</b>	<b>14.0 %</b>	<b>33,721</b>	<b>14.7 %</b>	<b>21.80</b>
<b>2011</b>	<b>24</b>	<b>537,093</b>	<b>4.9 %</b>	<b>9,768</b>	<b>4.3 %</b>	<b>18.19</b>
<b>2012</b>	<b>17</b>	<b>635,754</b>	<b>5.7 %</b>	<b>14,208</b>	<b>6.2 %</b>	<b>22.35</b>
<b>2013</b>	<b>6</b>	<b>386,290</b>	<b>3.5 %</b>	<b>11,607</b>	<b>5.1 %</b>	<b>30.05</b>
<b>2014</b>	<b>11</b>	<b>596,809</b>	<b>5.4 %</b>	<b>18,003</b>	<b>7.9 %</b>	<b>30.17</b>
<b>2015</b>	<b>18</b>	<b>667,457</b>	<b>6.0 %</b>	<b>13,656</b>	<b>6.0 %</b>	<b>20.46</b>

2016	1	28,008	0.3%	798	0.3%	28.50
2017	—	—	0.0%	—	0.0%	0.00
2018	3	328,944	3.0%	7,204	3.1%	21.90
Other (3)	18	138,547	1.3%	1,240	0.5%	8.95
<b>Total / Average</b>	<b>569</b>	<b>11,063,244</b>	<b>100.0%</b>	<b>\$ 229,279</b>	<b>100.0%</b>	<b>\$ 20.72</b>

NOTE: As of September 30, 2005, the weighted average lease term for the wholly owned properties is 4.9 years.

- (1) Many of our government leases are subject to certain early termination provisions which are customary to government leases. The year of lease expiration was computed assuming no exercise of such early termination rights.
- (2) Total Annualized Rental Revenue is the monthly contractual base rent as of September 30, 2005 multiplied by 12 plus the estimated annualized expense reimbursements under existing office leases.
- (3) Other consists primarily of amenities, including cafeterias, concierge offices and property management space. In addition, month-to-month leases and leases which have expired but the tenant remains in holdover are included in this line as the exact expiration date is unknown.

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### Office Renewal Analysis as of September 30, 2005

	Baltimore/ Washington Corridor	Northern Virginia	Northern/ Central New Jersey	Greater Harrisburg	Suburban Maryland	Other	St. Mary's and King George Counties	Total Office
<b>Quarter Ended September 30, 2005:</b>								
Expiring Square Feet	142,665	71,391	9,047	12,400	2,739	14,492	2,449	255,183
Vacated Square Feet	60,521	10,301	9,047	—	2,739	4,815	2,449	89,872
Renewed Square Feet	82,144	61,090	—	12,400	—	9,677	—	165,311
Retention Rate (% based upon square feet)	57.58%	85.57%	0.00%	100.00%	0.00%	66.77%	0.00%	64.78%
<i>Renewed Space Only:</i>								
Average Committed Cost per Square Foot	\$ 3.32	\$ 19.87	\$ —	\$ —	\$ —	\$ 3.88	\$ —	\$ 9.22
Weighted Average Lease Term in years	1.7	4.7	—	3.0	—	5.1	—	3.1
Change in Total Rent - GAAP	10.35%	-5.14%	0.00%	5.05%	0.00%	0.42%	0.00%	2.19%
Change in Total Rent - Cash	3.29%	-16.57%	0.00%	1.59%	0.00%	-6.30%	0.00%	-6.98%
<i>Renewed &amp; Retenanted Space:</i>								
Average Committed Cost per Square Foot	\$ 5.56	\$ 20.91	\$ 5.93	\$ —	\$ 20.16	\$ 4.67	\$ 3.27	\$ 9.04
Weighted Average Lease Term in years	2.9	5.0	9.8	3.0	3.1	5.0	5.0	6.5
Change in Total Rent - GAAP	6.80%	-8.76%	-35.12%	5.05%	-10.46%	0.59%	17.33%	-14.28%
Change in Total Rent - Cash	0.20%	-18.03%	-44.65%	1.59%	-16.03%	-6.15%	8.72%	-22.47%

Notes: No renewal or retenanting activity transpired in our Greater Philadelphia or Colorado Springs regions. Activity is exclusive of owner occupied space and leases with less than a one year term. Expiring square feet includes early renewals and excludes early terminations.

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### Year to Date Acquisition Summary as of September 30, 2005 (1) (Dollars in thousands)

	Submarket	Acquisition Date	Square Feet	Occupancy Percentage at Acquisition	Contractual Purchase Price	Investment (2)
<b>Individual Property:</b>						
8611 Military Drive (3) (4)	San Antonio	3/30/2005	468,994	100.0%	\$ 30,500	\$ 30,845
15 West Gude Drive (5)	Rockville	4/7/2005	113,114	22.8%	17,011	17,227
45 West Gude Drive (5)	Rockville	4/7/2005	108,588	100.0%	20,134	20,390
7175 Riverwood Drive (6)	Howard Co. Perimeter	7/27/2005	26,500	100.0%	2,279	2,456
7130 Columbia Gateway Drive	Howard Co. Perimeter	9/19/2005	46,840	100.0%	6,450	6,465

7134 Columbia Gateway Drive	Howard Co. Perimeter	9/19/2005	21,991	100.0%	3,028	3,035
7138 Columbia Gateway Drive	Howard Co. Perimeter	9/19/2005	38,225	100.0%	5,264	5,276
7142 Columbia Gateway Drive	Howard Co. Perimeter	9/19/2005	45,951	100.0%	6,327	6,342
7150 Columbia Gateway Drive	Howard Co. Perimeter	9/19/2005	35,812	56.8%	4,931	4,943
985 Space Center Drive	Colorado Springs East	9/28/2005	102,717	91.0%	14,700	14,708
980 Technology Court	Colorado Springs East	9/28/2005	33,190	100.0%	3,300	3,302
1670 North Newport Road	Colorado Springs East	9/30/2005	67,500	100.0%	9,000	9,033
<b>Total</b>			<b>1,109,422</b>	<b>89.9%</b>	<b>\$ 122,924</b>	<b>\$ 124,022</b>

- (1) Excludes land only acquisitions.  
(2) Initial accounting investment recorded by property.  
(3) This property is under redevelopment.  
(4) Contractual purchase price excludes \$3.0 million purchase of adjacent land parcel and \$5.9 million purchase of adjacent parcel.  
(5) Contractual purchase price excludes \$6.2 million purchase of adjacent land parcel.  
(6) Contractual purchase price excludes \$1.5 million purchase of adjacent land parcel.

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**Year to Date Disposition Summary as of September 30, 2005 (1)**  
**(Dollars in thousands)**

	<u>Submarket</u>	<u>Disposition Date</u>	<u>Square Feet</u>	<u>Contractual Sales Price</u>
104 Interchange Plaza	Exit 8A -Cranbury	9/8/2005	47,677	\$ 6,410
101 Interchange Plaza	Exit 8A - Cranbury	9/8/2005	43,621	5,991
4301 Route 1	Monmouth Junction	9/8/2005	61,433	10,056
2605 Interstate Drive	East Shore	9/29/2005	79,456	11,117
2601 Market Place	East Shore	9/29/2005	65,411	7,379
6345 Flank Drive	East Shore	9/29/2005	69,443	6,999
6340 Flank Drive	East Shore	9/29/2005	68,200	7,010
6400 Flank Drive	East Shore	9/29/2005	52,439	5,316
6360 Flank Drive	East Shore	9/29/2005	46,500	4,665
6385 Flank Drive	East Shore	9/29/2005	32,921	2,973
6380 Flank Drive	East Shore	9/29/2005	32,668	3,258
6405 Flank Drive	East Shore	9/29/2005	32,000	3,197
95 Shannon Road	East Shore	9/29/2005	21,976	2,501
75 Shannon Road	East Shore	9/29/2005	20,887	2,840
6375 Flank Drive	East Shore	9/29/2005	19,783	2,381
85 Shannon Road	East Shore	9/29/2005	12,863	1,842
5035 Ritter Road	West Shore	9/29/2005	56,556	5,833
5070 Ritter Road - Building A	West Shore	9/29/2005	32,309	2,833
5070 Ritter Road - Building B	West Shore	9/29/2005	28,347	2,856
<b>Total</b>			<b>824,490</b>	<b>\$ 95,457</b>

- (1) Excludes land only dispositions.

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**Development Summary as of September 30, 2005**  
**(Dollars in thousands)**

Property and Location	Submarket	Wholly Owned or Joint Venture (JV)	Total Rentable Square Feet	Percentage Leased or Committed	Anticipated Total Cost	Cost to date	Outstanding Loan as of 9/30/2005	Anticipated Date of Operations
<b>Under Construction</b>								
318 Sentinel Drive (318 NBP) Annapolis Junction, Maryland (1)	BWI Airport	Owned	125,681	100.00%	\$ 21,239	\$ 19,496	\$ 13,739	Construction 4Q 05
8621 Robert Fulton Drive Columbia, Maryland (2)	Howard Co. Perimeter	Owned	85,106	76.54%	12,854	12,810	6,228	Construction 4Q 05
304 Sentinel Drive (304 NBP) Annapolis Junction, Maryland (3)	BWI Airport	Owned	162,498	100.00%	30,000	22,888	13,087	Construction 1Q 06
46591 Expedition Drive (Expedition 6) Lexington Park, Maryland	St. Mary's County	Owned	61,000	23.57%	8,383	5,906	—	Construction 3Q 06
15010 Conference Center Drive (WTP II) Chantilly, Virginia (4)	Dulles South	Owned	213,091	0.00%	41,156	26,380	9,102	Construction 3Q 06
322 Sentinel Drive (322 NBP) Annapolis Junction, Maryland (5)	BWI Airport	Owned	125,847	0.00%	21,426	15,160	11,211	Construction 4Q 06
6711 Columbia Gateway Drive Columbia, Maryland (6)	Howard Co. Perimeter	Owned	125,000	42.45%	25,666	14,396	7,090	Construction 4Q 06
Patriot Park View Colorado Springs, Colorado	Colorado Springs East	Owned	50,000	100.00%	11,213	1,747	—	Construction 4Q 06
306 Sentinel Drive (306 NBP) Annapolis Junction, Maryland (7)	BWI Airport	Owned	157,146	59.39%	28,277	18,412	13,215	Construction 1Q 07
<b>Total Under Construction</b>			<b>1,105,369</b>	<b>51.03%</b>	<b>\$ 200,214</b>	<b>\$ 137,195</b>	<b>\$ 73,672</b>	
<b>Redevelopment</b>								
8611 Military Drive San Antonio, Texas	San Antonio	Owned	468,994	100.00%	\$ 7,500	\$ 2,063	\$ —	Redevelopment 4Q 05
<b>Total Redevelopment</b>			<b>468,994</b>	<b>100.00%</b>	<b>\$ 7,500</b>	<b>\$ 2,063</b>	<b>\$ —</b>	
<b>Under Development</b>								
320 Sentinel Drive (320 NBP) Annapolis Junction, Maryland	BWI Airport	Owned	125,760	0.00%	\$ 22,845	\$ 4,161	\$ —	Development 2007
302 Sentinel Drive (302 NBP) Annapolis Junction, Maryland	BWI Airport	Owned	160,000	0.00%	31,381	5,601	—	Development 2007
16444 Commerce Drive Dahlgren, Virginia	King George County	Owned	56,000	0.00%	8,586	136	—	Development 2007
<b>Total Under Development</b>			<b>341,760</b>	<b>0.00%</b>	<b>\$ 62,812</b>	<b>\$ 9,898</b>	<b>\$ —</b>	

- (1) Total loan commitment is \$19.3 million.  
(2) Total loan commitment is \$9.6 million.  
(3) Total loan commitment is \$27.1 million.  
(4) Total loan commitment is \$32.0 million.  
(5) Total loan commitment is \$19.0 million.  
(6) Total loan commitment is \$19.5 million.  
(7) Total loan commitment is \$25.0 million. The percentage leased includes a lease for 32,286 rentable square feet, executed in October, 2005.

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**Year to Date Development Placed into Service as of September 30, 2005**  
(Dollars in thousands)

Property and Location	Submarket	Wholly Owned or Joint Venture (JV)	Total Rentable Square Feet	Development Square Feet Placed into Service	Percentage Leased or Committed
2691 Technology Drive (191 NBP) Annapolis Junction, Maryland	BWI Airport	Owned	103,683	103,683	100.00%
<b>Total</b>			<b>103,683</b>	<b>103,683</b>	<b>100.00%</b>

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**Land Inventory as of September 30, 2005**

Location	Submarket	Status	Acres	Developable Square Feet
Westfields Corporate Center	Dulles South	owned	19	246,800
Westfields Corporate Center	Dulles South	owned	17	377,300
Westfields Corporate Center	Dulles South	owned	32	674,200
Woodland Park	Herndon	owned	5	225,000
<b>Total Northern Virginia</b>			<b>73</b>	<b>1,523,300</b>



National Business Park	BWI Airport	owned	34	500,000
Columbia Gateway Exchange III	Howard Co. Perimeter	owned	4	126,200
Columbia Gateway Parcel T-11	Howard Co. Perimeter	owned	14	220,000
MOR Montpelier 3	Howard Co. Perimeter	JV	2	19,000
1243 Winterson Road (AS 22)	BWI Airport	owned	2	30,000
Arundel Preserve	BWI Airport	under contract	63	up to 1,800,000
Lot 8F	BWI Airport	owned	2	0
7175 Riverwood	Howard Co. Perimeter	owned	4	60,000
<b>Total Baltimore / Washington Corridor</b>			<b>125</b>	<b>2,755,200</b>
Rockville Corporate Center	Rockville	owned	10	215,000
<b>Total Suburban Maryland</b>			<b>10</b>	<b>215,000</b>
Unisys Campus	Blue Bell	owned	45	600,000
Unisys Campus	Blue Bell	option	27	360,000
<b>Total Greater Philadelphia</b>			<b>72</b>	<b>960,000</b>
Princeton Technology Center	Exit 8A - Cranbury	owned	19	250,000
<b>Total Northern / Central New Jersey</b>			<b>19</b>	<b>250,000</b>
Dahlgren Technology Center	King George County	owned	32	65,000
Expedition Park	St. Mary's County	owned	6	60,000
<b>Total St. Mary's &amp; King George Counties</b>			<b>38</b>	<b>125,000</b>
Patriot Park	Colorado Springs East	owned	59	650,000
Interquest	North I-25 Corridor	owned	132	935,000
<b>Total Colorado Springs</b>			<b>191</b>	<b>1,585,000</b>
San Antonio	San Antonio	owned	27	350,000
<b>Total San Antonio</b>			<b>27</b>	<b>350,000</b>
<b>TOTAL</b>			<b>555</b>	<b>7,763,500</b>

This land inventory schedule excludes all properties listed as under construction, redevelopment or under development as detailed on page 31.

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**Joint Venture Summary as of September 30, 2005**  
(Dollars in thousands)

**Consolidated Properties**

Property and Location	Joint Venture Interest Held By COPT	Status	Square Feet	Acreage	Total Assets	Consolidated Debt as of 9/30/05	Recourse to COPT	Option to Acquire Partner's Interest
4230 Forbes Boulevard Lanham, Maryland	50%	Operating	55,866	5 acres	\$ 4,583	\$ 3,685	Yes, up to \$4.5 million	Yes
MOR Montpelier 3 LLC Laurel, Maryland	50%	Development	19,000	2 acres	1,958	—	N/A	Yes
<b>TOTAL</b>					<b>\$ 6,541</b>	<b>\$ 3,685</b>		

**Unconsolidated Properties**

Property and Location	Joint Venture Interest Held By COPT	Status	Square Feet	COPT Investment	Off-Balance Sheet Debt as of 9/30/05	Recourse to COPT	Option to Acquire Partner's Interest
695 Route 46 Wayne, New Jersey	20%	Operating	157,394	\$ 1,208	\$ 13,846	No	No
Harrisburg Portfolio Harrisburg, Pennsylvania	20%	Operating	671,759	(2,519)	66,600	No	No
<b>TOTAL</b>							

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**Reconciliations of Non GAAP Measurements**  
(Dollars in thousands)

2005			2004	
September 30	June 30	March 31	December 31	September 30

<b>Total Assets or Denominator for Debt to Total Assets</b>	<b>\$ 1,901,696</b>	<b>\$ 1,890,448</b>	<b>\$ 1,798,920</b>	<b>\$ 1,732,026</b>	<b>\$ 1,650,726</b>
Accumulated depreciation	163,424	165,101	153,127	141,716	131,018
Intangible assets on real estate acquisitions, net	67,686	66,354	64,965	67,560	67,083
Assets other than assets included in investment in real estate	(205,091)	(199,602)	(181,644)	(187,525)	(163,557)
<b>Denominator for Debt to Undepreciated Book Value of Real Estate Assets</b>	<b>\$ 1,927,715</b>	<b>\$ 1,922,301</b>	<b>\$ 1,835,368</b>	<b>\$ 1,753,777</b>	<b>\$ 1,685,270</b>
<b>GAAP Revenues from Real Estate Operations</b>	<b>\$ 62,996</b>	<b>\$ 60,186</b>	<b>\$ 59,705</b>	<b>\$ 57,776</b>	<b>\$ 52,276</b>
Revenues from discontinued operations	671	855	922	837	821
Other income/(expense)	—	—	(1)	1	—
<b>Combined Real Estate Revenues</b>	<b>\$ 63,667</b>	<b>\$ 61,041</b>	<b>\$ 60,626</b>	<b>\$ 58,614</b>	<b>\$ 53,097</b>
<b>GAAP Revenues from Real Estate Operations</b>	<b>\$ 62,996</b>	<b>\$ 60,186</b>	<b>\$ 59,705</b>	<b>\$ 57,776</b>	<b>\$ 52,276</b>
Property operating	(19,032)	(17,574)	(18,565)	(16,876)	(15,789)
Revenues from discontinued operations	671	855	922	837	821
Property operating from discontinued operations	(296)	(334)	(353)	(294)	(408)
Other revenue	(1)	—	(1)	1	—
<b>Combined Net Operating Income</b>	<b>\$ 44,338</b>	<b>\$ 43,133</b>	<b>\$ 41,708</b>	<b>\$ 41,444</b>	<b>\$ 36,900</b>
<b>GAAP Net Operating Income for Same Office Properties</b>	<b>\$ 34,855</b>	<b>\$ 33,698</b>	<b>\$ 33,368</b>	<b>\$ 34,318</b>	<b>\$ 34,395</b>
Less: Straight line rent adjustments	(603)	(718)	(972)	(2,211)	(2,471)
Less: Amortization of deferred market rental revenue	294	(166)	(122)	(193)	(224)
<b>Cash Net Operating Income for Same Office Properties</b>	<b>\$ 34,546</b>	<b>\$ 32,814</b>	<b>\$ 32,274</b>	<b>\$ 31,914</b>	<b>\$ 31,700</b>
<b>Depreciation and amortization</b>	<b>\$ 18,004</b>	<b>\$ 15,068</b>	<b>\$ 14,387</b>	<b>\$ 13,668</b>	<b>\$ 11,619</b>
Depreciation of furniture, fixtures and equipment	(178)	(171)	(161)	(234)	(101)
Depreciation and amortization from discontinued operations	23	190	279	191	183
<b>Combined real estate related depreciation and other amortization</b>	<b>\$ 17,849</b>	<b>\$ 15,087</b>	<b>\$ 14,505</b>	<b>\$ 13,625</b>	<b>\$ 11,701</b>
<b>Total tenant improvements and incentives on operating properties</b>	<b>\$ 3,484</b>	<b>\$ 7,659</b>	<b>\$ 13,163</b>	<b>\$ 3,455</b>	<b>\$ 3,924</b>
Total capital improvements on operating properties	2,760	1,973	2,105	4,121	3,669
Total leasing costs for operating properties	3,017	967	668	2,761	2,598
Less: Nonrecurring tenant improvements and incentives on operating properties	(1,199)	(5,883)	(9,551)	(772)	(1,454)
Less: Nonrecurring capital improvements on operating properties	(1,047)	(891)	(1,630)	(2,834)	(2,920)
Less: Nonrecurring leasing costs for operating properties	(2,070)	(532)	(21)	(2,036)	(1,138)
<b>Recurring capital expenditures</b>	<b>\$ 4,945</b>	<b>\$ 3,293</b>	<b>\$ 4,734</b>	<b>\$ 4,695</b>	<b>\$ 4,679</b>
<b>Interest expense from continuing operations</b>	<b>\$ 14,370</b>	<b>\$ 13,728</b>	<b>\$ 13,183</b>	<b>\$ 12,483</b>	<b>\$ 10,668</b>
Interest expense from discontinued operations	126	188	175	165	171
<b>Combined interest expense or denominator for interest coverage</b>	<b>\$ 14,496</b>	<b>\$ 13,916</b>	<b>\$ 13,358</b>	<b>\$ 12,648</b>	<b>\$ 10,839</b>
Scheduled principal amortization	3,750	3,789	7,394	6,093	5,775
<b>Denominator for Debt Service Coverage</b>	<b>\$ 18,246</b>	<b>\$ 17,705</b>	<b>\$ 20,752</b>	<b>\$ 18,741</b>	<b>\$ 16,614</b>
Scheduled principal amortization	(3,750)	(3,789)	(7,394)	(6,093)	(5,775)
Preferred dividends — redeemable non-convertible	3,653	3,654	3,654	3,654	3,784
Preferred distributions	165	165	165	165	14
<b>Denominator for Fixed Charge Coverage</b>	<b>\$ 18,314</b>	<b>\$ 17,735</b>	<b>\$ 17,177</b>	<b>\$ 16,467</b>	<b>\$ 14,637</b>
<b>Common dividends for Earnings Payout Ratio</b>	<b>\$ 10,966</b>	<b>\$ 9,381</b>	<b>\$ 9,339</b>	<b>\$ 9,288</b>	<b>\$ 9,235</b>
Common distributions	2,452	2,205	2,179	2,179	2,202
Restricted shares	—	—	—	98	—
<b>Dividends and distributions for FFO and AFFO Payout Ratio</b>	<b>\$ 13,418</b>	<b>\$ 11,586</b>	<b>\$ 11,518</b>	<b>\$ 11,565</b>	<b>\$ 11,437</b>