UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 8-K

CURRENT REPORT

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

Date of report (Date of earliest event reported) **May 1, 2006**

CORPORATE OFFICE PROPERTIES TRUST

(Exact name of registrant as specified in its charter)

Maryland	**1-14023**	**23-2947217**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification Number)

8815 Centre Park Drive, Suite 400
Columbia, Maryland 21045
(Address of principal executive offices)

(410) 730-9092
(Registrant's telephone number, including area code)

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))

Item 2.02. Results of Operations and Financial Condition

In connection with its release of earnings on May 1, 2006, the Registrant is making available certain additional information pertaining to its properties and operations as of and for the period ended March 31, 2006. 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.

<u>Funds from operations ("FFO")</u>

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 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); 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 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 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 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 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 March 31, 2006 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: May 1, 2006

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 Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Exhibit Title
99.1	Supplemental information dated March 31, 2006 for Corporate Office Properties Trust.

Exhibit 99.1

Supplemental Information
(Unaudited)

March 31, 2006

COPT

CORPORATE OFFICE PROPERTIES TRUST

Corporate Office Properties Trust
Index to Supplemental Information (Unaudited)
March 31, 2006

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 37. Refer to our Form 8-K for definitions of certain terms used herein.

Reporting Period Highlights – First Quarter 2006

Financial Results

- Reported Net Income Available to Common Shareholders of $6,283,000 or $.15 per diluted share for the first quarter of 2006 as compared to $5,386,000 or $.14 per diluted share for the comparable 2005 period, representing an increase of 7.1% per share.
- Reported FFO – diluted of $24,350,000 or $.49 per share/unit for the first quarter of 2006 as compared to $21,143,000 or $.45 per share/unit for the comparable 2005 period, representing an increase of 8.9% per share/unit.
- Reported AFFO – diluted of $18,865,000 for the first quarter of 2006 as compared to $14,756,000 for the comparable 2005 period, representing an increase of 27.8%.
- Our FFO payout ratio was 56.0% for the first quarter of 2006 as compared to 54.5% for the comparable 2005 period. Our AFFO payout ratio was 72.3% for the first quarter of 2006 as compared to 78.1% for the comparable 2005 period.

Financing Activity and Capital Transactions

- On March 28, 2006, we executed a $50.0 million notional amount swap at a fixed one-month LIBOR rate of 5.036%, which commenced March 28, 2006 and expires March 30, 2009.
- As of March 31, 2006, our debt to market capitalization was 36.1% and our debt to undepreciated book value of real estate assets was 62.7%. We achieved an EBITDA interest coverage ratio of 2.78x and an EBITDA fixed charge coverage ratio of 2.29x for this quarter.

Acquisitions

- On January 19, 2006, we acquired for redevelopment a building containing approximately 60,000 rentable square feet on an 11-acre land parcel, located in Colorado Springs, Colorado for $2.6 million. The land parcel can support up to 30,000 square feet of future office space.
- On January 20, 2006, we acquired a 31-acre land parcel in San Antonio, Texas for $7.2 million that can support approximately 375,000 developable square feet. This parcel is contiguous to the 27-acre land parcel and the 470,000 square foot buildings that we acquired during 2005.
- On February 10, 2006, we acquired for $1.8 million a 50% interest in a joint venture, which is constructing an office building containing 44,134 square feet in Hanover, Maryland. As part of this joint venture formation, we have guaranteed a $6.2 million loan with a March 31, 2006 balance of $3.2 million, which matures in January 2007 and bears interest at a variable rate.

- On February 28, 2006, we acquired a 6-acre land parcel which can support up to 60,000 square feet, in Hanover, Maryland for $2.1 million.

Dispositions

- On January 17, 2006, we acquired our partner's 50% interest in a joint venture that had constructed a building in the Baltimore/Washington Corridor for $1.2 million using cash reserves. We then sold the property to a third party for $2.5 million and realized a gain of $111,000.
- On February 6, 2006, we sold two office properties containing 141,783 rentable square feet, in Laurel, Maryland for $17.0 million.
- On March 8, 2006, we sold an office building containing 57,280 rentable square feet, in Dayton, New Jersey for $9.7 million.

Development

- On January 1, 2006, we placed into service the 162,498 square foot development property at 304 Sentinel Drive (known as 304 NBP). This building is 100% leased to a large creditworthy tenant.
- On March 2, 2006, we executed a ten year lease for 32,286 rentable square feet at 302 Sentinel Drive (known as 302 NBP).
- On March 8, 2006, we executed a long-term ground sublease agreement with The UMBC Research Park Corporation on a 5-acre land parcel, located in Baltimore County, Maryland, on which we plan to develop a 23,500 square foot building. The entire building is leased to the United States Government for a 10 year term.
- On March 28, 2006, we executed an eight year and four month lease for 77,651 rentable square feet at 15010 Conference Center Drive (known as WTP II).

Operations

- Our wholly owned portfolio was 93.3% occupied and 94.4% leased as of March 31, 2006. Our entire portfolio was 92.9% occupied and 94.0% leased as of March 31, 2006.
- Our same property cash NOI for the quarter ended March 31, 2006 increased by 5.5% or $2.0 million as compared to the quarter ended March 31, 2005. The primary driver of the increase in cash NOI for our same office portfolio as compared to first quarter of 2005 was higher rental revenues, primarily attributable to the improved occupancy and higher rental rates in our Baltimore/Washington Corridor. Our same office portfolio consists of 120 properties and represents 78.7% of our wholly owned portfolio as of March 31, 2006.
- Weighted average lease term of our wholly owned portfolio is 5 years as of March 31, 2006, with an average contractual rental rate (including tenant reimbursements of operating costs) of $20.72 per square foot.
- We renewed 420,826 square feet, or 64.9%, of our expiring office leases (based upon square footage) with an average committed cost of $2.80 per square foot during the first quarter. For our renewed and retenanted space of approximately 491,773 square feet, we realized an increase in total rent of 14.11%, as measured from the GAAP straight-line rent in effect

preceding the renewal date, and an increase of 4.84% in total cash rent. We incurred an average committed cost of $4.11 per square foot for our renewed and retenanted space in the first quarter.

Subsequent Events

- On April 4, 2006, we entered into a long-term ground sublease agreement with The UMBC Research Park Corporation on a 6-acre land parcel located in Baltimore County, Maryland, on which we plan to develop a 110,000 square foot building.
- On April 17, 2006, we issued 1,750,000 common shares, generating proceeds of $72.3 million before offering expenses, or $41.31 per share. The proceeds have been used to pay down our unsecured revolving credit facility that will later be drawn upon and primarily used as follows: (i) $28.8 million to fund the planned redemption of all of

our outstanding 10.25% Series E Cumulative Redeemable Preferred Shares on or after July 15, 2006; and (ii) $35.6 million to fund the planned redemption of all of our outstanding 9.875% Series F Cumulative Redeemable Preferred Shares on or after October 15, 2006. On April 24, 2006, we issued an additional 250,000 common shares to cover the over-allotment, generating proceeds of $10.3 million before offering expenses.

- On April 21, 2006, we acquired a 20-acre land parcel with approximately 300,000 developable square feet in Colorado Springs, Colorado, for $1.1 million. The parcel is adjacent to our 64-acre Patriot Park Business Park acquired in 2005.
- On April 27, 2006, we executed swaps for an aggregate notional amount of $50.0 million at a fixed one-month LIBOR rate of 5.232%, which commenced May 1, 2006 and expires May 1, 2009.

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, 2005.

Quarterly Selected Financial Summary Data
(Dollars in thousands)

	2006	2005			
	March 31	December 31	September 30	June 30	March 31
Revenues from Real Estate Operations	$ 71,700	$ 66,121	$ 62,131	$ 59,421	$ 58,928
Total Revenues	88,009	80,010	91,915	77,885	76,025
Combined Net Operating Income	50,113	46,938	44,338	43,133	41,709
EBITDA	49,302	43,386	45,918	40,463	39,366
Net Income	9,937	10,282	10,589	9,120	9,040
Preferred Share dividends	(3,654)	(3,654)	(3,654)	(3,654)	(3,654)
Net Income Available to Common Shareholders	**$ 6,283**	**$ 6,628**	**$ 6,935**	**$ 5,466**	**$ 5,386**
Earnings per diluted share	**$ 0.15**	**$ 0.16**	**$ 0.18**	**$ 0.14**	**$ 0.14**
Funds From Operations (FFO) - Diluted	$ 24,350	$ 23,804	$ 22,126	$ 21,834	$ 21,143
FFO per diluted share	**$ 0.49**	**$ 0.48**	**$ 0.47**	**$ 0.47**	**$ 0.45**
Adjusted FFO - Diluted	$ 18,865	$ 15,892	$ 15,891	$ 16,981	$ 14,756
Payout Ratios:					
Earnings Payout	**179.2%**	**167.0%**	**158.1%**	**171.6%**	**173.4%**
FFO - Diluted	**56.0%**	**57.0%**	**60.6%**	**53.1%**	**54.5%**
AFFO - Diluted	**72.3%**	**85.3%**	**84.4%**	**68.2%**	**78.1%**
Total Dividends/Distributions	**$ 17,450**	**$ 17,274**	**$ 17,236**	**$ 15,405**	**$ 15,337**

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

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

	2006	2005			
	March 31	December 31	September 30	June 30	March 31
Assets					
Investment in real estate:					
Land - operational	$ 314,550	$ 314,720	$ 268,583	$ 274,531	$ 268,307
Land - development	126,738	117,434	127,085	108,320	97,085
Construction in progress	140,607	138,183	147,184	138,337	109,345
Buildings and improvements	1,501,426	1,491,253	1,315,611	1,333,168	1,294,099
Investment in and advances to unconsolidated real estate joint ventures	1,439	1,451	1,447	1,233	1,209
Less: accumulated depreciation	(183,920)	(174,935)	(163,381)	(165,058)	(153,084)
Net investment in real estate	**1,900,840**	**1,888,106**	**1,696,529**	**1,690,531**	**1,616,961**
Cash and cash equivalents	20,169	10,784	17,348	21,486	6,212
Restricted cash	23,793	21,476	15,083	15,982	13,830
Accounts receivable, net	16,729	15,606	12,298	13,613	17,529
Investment in and advances to other unconsolidated entities	1,621	1,621	1,621	1,621	1,621
Deferred rent receivable	34,247	32,579	30,222	29,291	27,890
Deferred charges, net	33,731	35,046	31,420	28,662	27,168
Intangible assets on real estate acquisitions, net	85,699	90,984	67,686	66,354	64,965
Prepaid and other assets	21,722	29,255	25,465	19,501	19,658
Fair value of derivatives	110	—	—	—	—
Furniture, fixtures and equipment, net	4,214	4,302	4,024	3,407	3,086
Total assets	**$ 2,142,875**	**$ 2,129,759**	**$ 1,901,696**	**$ 1,890,448**	**$ 1,798,920**
Liabilities and shareholders' equity					
Liabilities:					
Mortgage and other loans payable	$ 1,360,638	$ 1,348,351	$ 1,124,299	$ 1,177,779	$ 1,091,688
Accounts payable and accrued expenses	43,242	41,693	38,795	53,984	46,400
Rents received in advance and security deposits	16,394	14,774	14,191	13,421	13,298
Deferred revenue associated with acquired operating leases	11,721	12,707	8,045	8,092	6,612
Distributions in excess of investment in unconsolidated real estate joint venture	3,010	3,081	2,519	—	—
Dividends and distributions payable	16,878	16,703	16,665	14,834	14,766
Fair value of derivatives	—	—	1,516	4,188	—
Other liabilities	5,314	4,727	4,619	4,024	7,661
Total liabilities	**1,457,197**	**1,442,036**	**1,210,649**	**1,276,322**	**1,180,425**
Minority interests:					
Preferred units in the Operating Partnership	8,800	8,800	8,800	8,800	8,800
Common units in the Operating Partnership	92,903	95,014	98,433	87,439	87,539
Other consolidated real estate joint ventures	1,190	1,396	1,297	861	1,699
Total minority interests	**102,893**	**105,210**	**108,530**	**97,100**	**98,038**
Commitments and contingencies	—	—	—	—	—
Shareholders' equity:					
Preferred Shares ($0.01 par value; 15,000,000 authorized)	67	67	67	67	67
Common Shares of beneficial interest ($0.01 par value; 75,000,000 authorized, 40,243,729 shares issued as of March 31, 2006)	400	400	396	372	371
Additional paid-in capital	655,368	657,337	654,024	586,567	582,802
Cumulative distributions in excess of net income	(72,670)	(67,697)	(63,256)	(59,226)	(55,312)
Value of unearned restricted common share grants	—	(7,113)	(7,318)	(7,396)	(7,471)
Accumulated other comprehensive loss	(380)	(481)	(1,396)	(3,358)	—
Total shareholders' equity	**582,785**	**582,513**	**582,517**	**517,026**	**520,457**
Total shareholders' equity and minority interests	**685,678**	**687,723**	**691,047**	**614,126**	**618,495**
Total liabilities and shareholders' equity	**$ 2,142,875**	**$ 2,129,759**	**$ 1,901,696**	**$ 1,890,448**	**$ 1,798,920**

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

	2006	2005			
	March 31	December 31	September 30	June 30	March 31
Revenues					
Rental revenue	$ 62,662	$ 57,234	$ 54,157	$ 52,865	$ 51,701
Tenant recoveries and other real estate operations revenue	9,038	8,887	7,974	6,556	7,227
Construction contract revenues	14,544	12,708	28,476	17,445	15,728
Other service operations revenues	1,765	1,181	1,308	1,019	1,369
Total Revenues	**88,009**	**80,010**	**91,915**	**77,885**	**76,025**

Expenses										
Property operating		21,885		19,746		18,714		17,288		18,169
Depreciation and amortization associated with real estate operations		19,313		15,376		17,783		14,848		14,169
Construction contract expenses		14,026		12,341		28,073		17,223		14,897
Other service operations expenses		1,678		1,254		1,253		955		1,291
General and administrative expenses		3,963		3,774		3,318		3,166		3,276
Total Operating Expenses		**60,865**		**52,491**		**69,141**		**53,480**		**51,802**
Operating Income		27,144		27,519		22,774		24,405		24,223
Interest expense		(17,584)		(15,129)		(14,132)		(13,497)		(12,962)
Amortization of deferred financing costs		(559)		(732)		(642)		(471)		(396)
Income from continuing operations before equity in loss of unconsolidated entities, income taxes and minority interests		**9,001**		**11,658**		**8,000**		**10,437**		**10,865**
Equity in loss of unconsolidated entities		(23)		(88)		—		—		—
Income tax (expense) benefit		(215)		265		(263)		(213)		(457)
Income from continuing operations before minority interests		8,763		11,835		7,737		10,224		10,408
Minority interest in income from continuing operations										
Common units in the Operating Partnership		(909)		(1,501)		(788)		(1,260)		(1,292)
Preferred units in the Operating Partnership		(165)		(165)		(165)		(165)		(165)
Other consolidated entities		33		27		19		15		24
Income from continuing operations		7,722		10,196		6,803		8,814		8,975
Income from discontinued operations, net of minority interests		2,105		65		3,727		138		46
Income before gain on sales of real estate		9,827		10,261		10,530		8,952		9,021
Gain on sales of real estate		110		21		59		168		19
Net Income		**9,937**		**10,282**		**10,589**		**9,120**		**9,040**
Preferred share dividends		(3,654)		(3,654)		(3,654)		(3,654)		(3,654)
Net Income Available to Common Shareholders	**$**	**6,283**	**$**	**6,628**	**$**	**6,935**	**$**	**5,466**	**$**	**5,386**
For EPS Computations:										
Numerator for Dilutive EPS	$	6,283	$	6,628	$	6,935	$	5,466	$	5,386
Denominator:										
Weighted Average Common Shares - Basic		39,668		39,297		36,913		36,692		36,555
Dilutive options		1,658		1,678		1,667		1,528		1,537
Dilutive restricted shares		184		—		—		—		—
Weighted Average Common Shares - Diluted		41,510		40,975		38,580		38,220		38,092
Earnings per diluted share	**$**	**0.15**	**$**	**0.16**	**$**	**0.18**	**$**	**0.14**	**$**	**0.14**

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

		2006		2005						
		March 31		December 31		September 30		June 30		March 31
Net Income	**$**	**9,937**	**$**	**10,282**	**$**	**10,589**	**$**	**9,120**	**$**	**9,040**
Combined real estate related depreciation and other amortization		19,068		15,410		17,848		15,087		14,505
Depreciation and amortization of unconsolidated real estate entities		85		182		—		—		—
Depreciation and amortization allocable to minority interests in other consol. entities		(33)		(29)		(23)		(30)		(32)
Gain on sales of real estate properties, excluding development		(2,459)		(14)		(4,360)		(24)		(24)
Funds From Operations (FFO)		**26,598**		**25,831**		**24,054**		**24,153**		**23,489**
Minority interest - common units, gross		1,406		1,520		1,726		1,335		1,308
Preferred share dividends		(3,654)		(3,654)		(3,654)		(3,654)		(3,654)
Funds From Operations (FFO) - Basic		**24,350**		**23,697**		**22,126**		**21,834**		**21,143**
Restricted share dividends		—		107		—		—		—
Funds From Operations (FFO) - Diluted	**$**	**24,350**	**$**	**23,804**	**$**	**22,126**	**$**	**21,834**	**$**	**21,143**
Straight line rent adjustments		(2,122)		(2,292)		(1,519)		(1,369)		(1,583)
Amortization of deferred market rental revenue		(555)		(394)		229		(191)		(70)
Recurring capital expenditures		(2,808)		(5,226)		(4,945)		(3,293)		(4,734)
Adjusted Funds from Operations - Diluted	**$**	**18,865**	**$**	**15,892**	**$**	**15,891**	**$**	**16,981**	**$**	**14,756**
Preferred dividends - redeemable non-convertible		3,654		3,654		3,653		3,654		3,654
Preferred distributions		165		165		165		165		165
Common distributions		2,374		2,386		2,452		2,205		2,179
Common dividends		11,257		11,069		10,966		9,381		9,339

Total Dividends/Distributions	**$ 17,450**	**$ 17,274**	**$ 17,236**	**$ 15,405**	**$ 15,337**
Denominator for earnings per share - Diluted	**41,510**	**40,975**	**38,580**	**38,220**	**38,092**
Restricted shares	—	224	—	—	—
Common units	8,520	8,688	8,758	8,676	8,544
Denominator for funds from operations per share - Diluted	**50,030**	**49,887**	**47,338**	**46,896**	**46,636**

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 in thousands)

	2006	2005			
	March 31	December 31	September 30	June 30	March 31
Net Income	**$ 9,937**	**$ 10,282**	**$ 10,589**	**$ 9,120**	**$ 9,040**
Combined interest expense	17,715	15,374	14,496	13,916	13,358
Amortization of deferred financing costs	559	732	641	471	396
Income tax (expense) benefit, gross	215	(265)	294	213	457
Depreciation of furniture, fixtures and equipment	270	195	178	171	161
Combined real estate related depreciation and other amortization	19,068	15,410	17,848	15,087	14,505
Minority interest - preferred units	165	165	165	165	165
Minority interest - other consolidated entities	(33)	(27)	(19)	(15)	(24)
Minority interest - common units, gross	1,406	1,520	1,726	1,335	1,308
Earnings Before Interest, Income Taxes, Depreciation and Amortization (EBITDA)	**$ 49,302**	**$ 43,386**	**$ 45,918**	**$ 40,463**	**$ 39,366**
Addback:					
General and administrative	3,963	3,774	3,318	3,166	3,276
(Income) from service operations	(605)	(294)	(458)	(286)	(909)
Gain on sales of depreciated real estate properties	(2,459)	(14)	(4,360)	(24)	(24)
Merchant sales and real estate services	(111)	(2)	(80)	(186)	—
Equity in loss of unconsolidated entities	23	88	—	—	—
Combined Net Operating Income (NOI)	**$ 50,113**	**$ 46,938**	**$ 44,338**	**$ 43,133**	**$ 41,709**
Discontinued Operations:					
Revenues from real estate operations	**$ 479**	**$ 903**	**$ 1,537**	**$ 1,621**	**$ 1,699**
Property operating expenses	(181)	(339)	(614)	(620)	(749)
Depreciation and amortization	(25)	(229)	(244)	(410)	(496)
Interest	(132)	(244)	(364)	(419)	(397)
Gain (loss) on sales of real estate	2,435	(11)	4,335	—	—
Income from discontinued operations	2,576	80	4,650	172	57
Minority interests in discontinued operations	(471)	(15)	(923)	(34)	(11)
Income from discontinued operations, net of minority interests	**$ 2,105**	**$ 65**	**$ 3,727**	**$ 138**	**$ 46**
Gain on sales of real estate, net, per statement of operations	**$ 110**	**$ 21**	**$ 59**	**$ 168**	**$ 19**
Add income taxes and minority interest	25	6	46	42	5
Gain (loss) on sales of real estate from discontinued operations	2,435	(11)	4,335	—	—
Combined gain on sales of real estate	**2,570**	**16**	**4,440**	**210**	**24**
Merchant sales and real estate services	(111)	(2)	(80)	(186)	—
Gain on sales of depreciated real estate properties	**$ 2,459**	**$ 14**	**$ 4,360**	**$ 24**	**$ 24**

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

	2006	2005			
	March 31	December 31	September 30	June 30	March 31
Common Equity - End of Quarter					
Common Shares	40,244	39,927	39,558	37,191	37,043
Common Units	8,480	8,523	8,765	8,675	8,544
Total	**48,724**	**48,450**	**48,323**	**45,866**	**45,587**
End of Quarter Common Share Price	$ 45.74	$ 35.54	$ 34.95	$ 29.45	$ 26.48
Market Value of Common Shares/Units	**$ 2,228,636**	**$ 1,721,913**	**$ 1,688,889**	**$ 1,350,754**	**$ 1,207,144**
Common Shares Trading Volume					
Average Daily Volume (Shares)	189	172	164	145	129
Average Daily Volume (Dollars in thousands)	$ 7,838.86	$ 6,026.90	$ 5,391.59	$ 4,031.40	$ 3,437.50
As a Percentage of Weighted Average Common Shares	0.5%	0.4%	0.4%	0.4%	0.4%
Common Share Price Range					
Quarterly High	$ 46.12	$ 37.15	$ 35.68	$ 29.78	$ 29.30
Quarterly Low	$ 34.91	$ 32.50	$ 29.27	$ 25.39	$ 25.14
Quarterly Average	$ 41.41	$ 35.13	$ 32.98	$ 27.71	$ 26.55

Convertible Preferred Equity - End of Quarter					
Convertible Series I Preferred Units Outstanding	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
Nonconvertible Preferred Equity - End of Quarter					
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
Total Nonconvertible Preferred Equity	**6,775**	**6,775**	**6,775**	**6,775**	**6,775**
Total Convertible Preferred Equity	**352**	**352**	**352**	**352**	**352**
Total Preferred Equity	**7,127**	**7,127**	**7,127**	**7,127**	**7,127**
Preferred Share Recorded Book Value	$ 25.00	$ 25.00	$ 25.00	$ 25.00	$ 25.00
Recorded Book Value of Preferred Equity	**$ 178,175**	**$ 178,175**	**$ 178,175**	**$ 178,175**	**$ 178,175**
Weighted Average Shares:					
Common Shares Outstanding	39,668	39,297	36,913	36,692	36,555
Restricted shares	184	224	—	—	—
Dilutive options	1,658	1,678	1,667	1,528	1,537
Common Units	8,520	8,688	8,758	8,676	8,544
Denominator for funds from operations per share - diluted	**50,030**	**49,887**	**47,338**	**46,896**	**46,636**
Capitalization					
Recorded Book Value of Preferred Shares	$ 178,175	$ 178,175	$ 178,175	$ 178,175	$ 178,175
Market Value of Common Shares/Units	2,228,636	1,721,913	1,688,889	1,350,754	1,207,144
Total Equity Market Capitalization	**$ 2,406,811**	**$ 1,900,088**	**$ 1,867,064**	**$ 1,528,929**	**$ 1,385,319**
Total Debt	**$ 1,360,638**	**$ 1,348,351**	**$ 1,124,299**	**$ 1,177,779**	**$ 1,091,688**
Total Market Capitalization	**$ 3,767,449**	**$ 3,248,439**	**$ 2,991,363**	**$ 2,706,708**	**$ 2,477,007**
Debt to Total Market Capitalization	**36.1%**	**41.5%**	**37.6%**	**43.5%**	**44.1%**
Debt to Total Assets	**63.5%**	**63.3%**	**59.1%**	**62.3%**	**60.7%**
Debt to Undepreciated Book Value of Real Estate Assets	**62.7%**	**62.6%**	**58.3%**	**61.3%**	**59.5%**

Quarterly Debt Analysis
(Dollars in thousands)

	2006	2005			
	March 31	December 31	September 30	June 30	March 31
Debt Outstanding					
Mortgage Loans	$ 997,410	$ 1,005,113	$ 787,684	$ 769,408	$ 773,315
Construction Loans	84,228	70,238	97,615	72,371	48,773
Unsecured Revolving Credit Facility	279,000	273,000	239,000	336,000	269,600
	$ 1,360,638	$ 1,348,351	$ 1,124,299	$ 1,177,779	$ 1,091,688
Average Outstanding Balance					
Mortgage Loans	$ 998,726	$ 862,700	$ 777,209	$ 829,493	$ 778,021
Construction Loans	76,799	96,793	83,608	58,167	41,451
Unsecured Revolving Credit Facility	284,171	239,537	352,022	271,201	226,307
	$ 1,359,696	$ 1,199,030	$ 1,212,839	$ 1,158,861	$ 1,045,779
Interest Rate Structure					
Fixed	$ 914,610	$ 922,313	$ 710,484	$ 724,369	$ 728,232
Variable	396,028	426,038	340,415	380,010	363,456
Variable Subject to Interest Rate Protection (1) (2)	50,000	—	73,400	73,400	—
	$ 1,360,638	$ 1,348,351	$ 1,124,299	$ 1,177,779	$ 1,091,688
% of Fixed Rate Loans (3)	70.89%	68.40%	69.72%	67.74%	66.71%
% of Variable Rate Loans (2)	29.11%	31.60%	30.28%	32.26%	33.29%
	100.00%	100.00%	100.00%	100.00%	100.00%
Average Contract Interest Rates					
Mortgage & Construction Loans	6.24%	6.26%	6.23%	6.17%	6.25%
Unsecured Revolving Credit Facility	5.85%	5.09%	4.83%	4.51%	4.06%
Total Weighted Average	6.13%	5.90%	5.76%	5.74%	5.75%
Coverage Ratios (excluding capitalized interest) – All coverage computations include the effect of discontinued operations					
Interest Coverage - Combined NOI	2.83 x	3.05 x	3.06 x	3.10 x	3.12 x
Interest Coverage - EBITDA	2.78 x	2.82 x	3.17 x	2.91 x	2.95 x
Debt Service Coverage - Combined NOI	1.98 x	2.45 x	2.43 x	2.44 x	2.01 x
Debt Service Coverage - EBITDA	1.95 x	2.26 x	2.52 x	2.29 x	1.90 x
Fixed Charge Coverage - Combined NOI	2.33 x	2.45 x	2.42 x	2.43 x	2.43 x
Fixed Charge Coverage - EBITDA	2.29 x	2.26 x	2.51 x	2.28 x	2.29 x

(1) 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.
(2) On March 28, 2006, we entered into a $50.0 million notional amount swap at a fixed one-month LIBOR rate of 5.036%, which commenced March 28, 2006 and expires March 30, 2009.
(3) Includes interest rate protection agreements.

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

	2006	2005			
	March 31	**December 31**	**September 30**	**June 30**	**March 31**
OPERATING RATIOS – All computations include the effect of discontinued operations					
Net Income as a % of Combined Real Estate Revenues (Net Income / Combined Real Estate Revenues)	13.77%	15.34%	16.63%	14.94%	14.91%
Combined NOI as a % of Combined Real Estate Revenues (Combined NOI / Combined Real Estate Revenues)	69.43%	70.03%	69.64%	70.66%	68.80%
EBITDA as a % of Combined Real Estate Revenues (EBITDA / Combined Real Estate Revenues)	68.31%	64.73%	72.12%	66.29%	64.93%
G&A as a % of Net Income (G&A / Net Income)	39.88%	36.70%	31.33%	34.71%	36.24%
G&A as a % of Combined Real Estate Revenues (G&A / Combined Real Estate Revenues)	5.49%	5.63%	5.21%	5.19%	5.40%
G&A as a % of EBITDA (G&A / EBITDA)	8.04%	8.70%	7.23%	7.82%	8.32%
Recurring Capital Expenditures	$ 2,808	$ 5,226	$ 4,945	$ 3,293	$ 4,734
Recurring Capital Expenditures per average square foot of wholly owned properties	$ 0.21	$ 0.41	$ 0.41	$ 0.27	$ 0.40
Recurring Capital Expenditures as a % of NOI (Combined NOI)	5.60%	11.13%	11.15%	7.63%	11.35%

Quarterly Dividend Analysis

	2006	2005			
	March 31	**December 31**	**September 30**	**June 30**	**March 31**
Common Share Dividends					
Dividends per share/unit	$ 0.280	$ 0.280	$ 0.280	$ 0.255	$ 0.255
Increase over prior quarter	0.0%	0.0%	9.8%	0.0%	0.0%
Common Dividend Payout Ratios					
Payout - Earnings	179.2%	167.0%	158.1%	171.6%	173.4%
Payout - FFO - Diluted	56.0%	57.0%	60.6%	53.1%	54.5%
Payout - AFFO - Diluted	72.3%	85.3%	84.4%	68.2%	78.1%
Dividend Coverage - FFO - Diluted	1.79x	1.76x	1.65x	1.88x	1.84x
Dividend Coverage - AFFO - Diluted	1.38x	1.17x	1.18x	1.47x	1.28x
Common Dividend Yields					
Dividend Yield	2.45%	3.15%	3.20%	3.46%	3.85%
Series I Preferred Unit Distributions					
Preferred Unit Distributions Per Unit	$ 0.46875	$ 0.46875	$ 0.46875	$ 0.46875	$ 0.46875
Preferred Unit Distributions 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
Series E Preferred Share Dividends					
Preferred Share Dividends Per Share	$ 0.64063	$ 0.64063	$ 0.64063	$ 0.64063	$ 0.64063
Preferred Share Dividend Yield	10.250%	10.250%	10.250%	10.250%	10.250%
Quarter End Recorded Book Value	$ 25.00	$ 25.00	$ 25.00	$ 25.00	$ 25.00
Series F Preferred Share Dividends					
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
Series G Preferred Share Dividends					
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
Series H Preferred Share Dividends					
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

Investor Composition and Analyst Coverage
(as of March 31, 2006)

SHAREHOLDER CLASSIFICATION	Common Shares	Common Units	As if Converted Preferred Shares / Units	Total	Fully Diluted Ownership % of Total
Insiders	1,053,136	7,428,513	—	8,481,649	17.35%
Institutional Ownership	36,569,609	—	—	36,569,609	74.79%
Other / Retail	2,620,984	1,051,350	176,000	3,848,334	7.87%
	40,243,729	8,479,863	176,000	48,899,592	100.00%

RESEARCH COVERAGE	March 31, 2006	December 31, 2005	September 30, 2005	June 30, 2005	March 31, 2005
A. G. Edwards	x	x	x	x	x
Credit Suisse First Boston	x	x	x	x	x
Ferris, Baker Watts, Incorporated	x	x	x	x	x
Harris Nesbitt Corp.	x	x	x	n/a	n/a
Legg Mason Wood Walker, Inc.	n/a	n/a	x	x	x
Maxcor Financial Group, Inc.	n/a	n/a	n/a	x	x
KeyBanc Capital Markets	n/a	x	x	x	x
Raymond James	x	x	x	x	x
Robert W. Baird & Co. Incorporated	x	x	x	x	x
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 December 31, 2005 per Vickers Stock Research Corporation.

Debt Maturity Schedule - March 31, 2006
(Dollars in thousands)

		Non-Recourse Debt (1)		Recourse Debt (1)			
Year of Maturity		Annual Amortization of Monthly Payments	Due on Maturity	Annual Amortization of Monthly Payments	Due on Maturity	Wachovia Revolver (2)	Total Scheduled Payments
2006		$ 11,062	$ 59,975	$ 1,873	$ 46,333	$ —	$ 119,243
2007		13,490	65,698	5,789	73,301	—	158,278
2008		11,601	142,903	2,156	44,437	279,000	480,097
2009		8,046	52,228	2,218	—	—	62,492
2010	(3)	7,432	52,177	360	13,821	—	73,790
2011		5,536	102,265	333	—	—	108,134
2012		3,943	36,123	357	—	—	40,423
2013		1,316	96,376	385	—	—	98,077
2014	(4)	143	—	322	4,262	—	4,727
2015		153	103,000	329	—	—	103,482
2016		165	108,543	356	—	—	109,064
2017		177	—	385	—	—	562
2018		—	193	417	—	—	610
2019		—	—	412	—	—	412
		$ 63,064	**$ 819,481**	**$ 15,692**	**$ 182,154**	**$ 279,000**	**$ 1,359,391**
		Net premium / (discount) to adjust to fair value of debt					1,247
		Debt per the Balance Sheet					**$ 1,360,638**

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) We assumed that our $4.9 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.

Property Summary by Region - March 31, 2006
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
	Office Properties						
	Baltimore /Washington Corridor						
1	2730 Hercules Road	BWI Airport	NBP	1990	M	240,336	
2	304 Sentinel Drive (304 NBP)	BWI Airport	NBP	2005	M	162,498	
	302 Sentinel Drive (302 NBP)	BWI Airport	NBP		M		157,146
	306 Sentinel Drive (306 NBP)	BWI Airport	NBP		M		157,146
3	2720 Technology Drive (220 NBP)	BWI Airport	NBP	2004	M	156,730	
4	2711 Technology Drive (211 NBP)	BWI Airport	NBP	2002	M	152,000	
	320 Sentinel Drive (320 NBP)	BWI Airport	NBP		M		125,760
	322 Sentinel Drive (322 NBP)	BWI Airport	NBP		M		125,568
5	318 Sentinel Drive (318 NBP)	BWI Airport	NBP	2005	M	125,681	
6	140 National Business Parkway	BWI Airport	NBP	2003	M	119,904	
7	132 National Business Parkway	BWI Airport	NBP	2000	M	118,456	
8	2721 Technology Drive (221 NBP)	BWI Airport	NBP	2000	M	118,093	
9	2701 Technology Drive (201 NBP)	BWI Airport	NBP	2001	M	117,450	
10	2691 Technology Drive (191 NBP)	BWI Airport	NBP	2005	M	103,683	
11	134 National Business Parkway	BWI Airport	NBP	1999	M	93,482	
12	133 National Business Parkway	BWI Airport	NBP	1997	M	88,741	
13	135 National Business Parkway	BWI Airport	NBP	1998	M	87,655	
14	141 National Business Parkway	BWI Airport	NBP	1990	M	87,404	
15	131 National Business Parkway	BWI Airport	NBP	1990	M	69,039	
16	114 National Business Parkway	BWI Airport	NBP	2002	M	9,908	
						1,851,060	**565,620**
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	68,776	
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	67,455	
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	
	940 Elkridge Landing Road	BWI Airport	APS		M		55,063
						1,630,146	**55,063**
1	7467 Ridge Road	BWI Airport	Comm./Pkwy.	1990	M	74,326	
2	7240 Parkway Drive	BWI Airport	Comm./Pkwy.	1985	M	73,972	
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	
						485,642	—
51	**Subtotal (continued on next page)**					**3,966,848**	**620,683**

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

Property Summary by Region - March 31, 2006 (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

51	Subtotal (continued from prior page)					**3,966,848**	**620,683**
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	
6	8621 Robert Fulton Drive	Howard Co. Perimeter	Columbia Gateway	2005	M	65,700	20,332
7	6750 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	2001	M	78,460	
8	6700 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	1988	M	74,859	
9	6740 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	1992	M	61,957	
10	7015 Albert Einstein Drive	Howard Co. Perimeter	Columbia Gateway	1999	S	61,203	
11	8671 Robert Fulton Drive	Howard Co. Perimeter	Columbia Gateway	2002	S	56,350	
12	6716 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	1990	M	52,005	
13	8661 Robert Fulton Drive	Howard Co. Perimeter	Columbia Gateway	2002	S	49,307	
14	7130 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1989	S	46,840	
15	7142 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1994	S	45,951	
16	6708 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	1988	M	39,203	
17	7065 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2000	S	38,560	
18	7138 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1990	S	38,225	
19	7063 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2000	S	36,936	
20	6760 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	1991	M	36,440	
21	7150 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1991	S	35,812	
22	7061 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2000	M	29,604	
23	6724 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	2001	M	28,420	
24	7134 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1990	S	21,991	
						1,467,029	**145,332**
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	
						297,024	—
83	**Total Baltimore/Washington Corridor**					**6,035,901**	**766,015**
	Suburban Maryland						
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	110 Thomas Johnson Drive	Frederick		1987/1999	M	117,803	
4	15 West Gude Drive	Rockville		1986	M	113,114	
5	45 West Gude Drive	Rockville		1987	M	108,588	
	Total Suburban Maryland					**704,489**	—
	Greater Philadelphia						
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	
	Total Greater Philadelphia					**960,349**	—

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

Property Summary by Region - March 31, 2006 (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
	St. Mary's & King George Counties						
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	58,231	
4	22300 Exploration Drive	St. Mary's County	Exploration Park	1997	M	44,830	
						262,980	—
1	46579 Expedition Drive	St. Mary's County	Expedition Park	2002	M	61,156	
2	46591 Expedition Drive	St. Mary's County	Expedition Park		M	7,171	53,829
						68,327	**53,829**
1	44425 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	**—**
18	**Total St. Mary's & King George Counties**					**771,852**	**53,829**
	Northern Virginia						
1	15000 Conference Center Drive	Dulles South	Westfields	1989	M	470,406	
	15010 Conference Center Drive	Dulles South	Westfields		M		234,072
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	**234,072**
1	13200 Woodland Park Road	Herndon	Woodland	2002	M	404,665	
						404,665	**—**
1	13454 Sunrise Valley Road	Herndon	Dulles Tech	1998	M	112,597	
2	13450 Sunrise Valley Road	Herndon	Dulles Tech	1998	M	53,728	
						166,325	**—**
1	1751 Pinnacle Drive	Tysons Corner		1989/1995	M	260,469	
2	1753 Pinnacle Drive	Tysons Corner		1976/2004	M	181,637	
						442,106	**—**
13	**Total Northern Virginia**					**2,242,503**	**234,072**

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

Property Summary by Region - March 31, 2006 (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
	Northern/Central New Jersey						
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	437 Ridge Road	Exit 8A — Cranbury	Princeton Tech Cntr.	1996	S	30,000	
						343,585	**—**
1	47 Commerce	Exit 8A — Cranbury	Centrepoint 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	101,263	
						101,263	**—**
8	**Total Northern/Central New Jersey**					**538,045**	**—**
	San Antonio, Texas						
2	8611 Military Drive	San Antonio		1982 / 1985	M	468,994	
	Total San Antonio, Texas					**468,994**	**—**
	Colorado Springs						
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	**—**
1	9950 Federal Drive	Colorado Springs East	InterQuest Office	2001	M	66,222	
2	9960 Federal Drive	Colorado Springs East	InterQuest Office	2001	S	46,948	
	9965 Federal Drive	Colorado Springs East	InterQuest Office	1983	M		60,000
						113,170	**60,000**
5	**Total Colorado Springs**					**316,577**	**110,000**

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

Property Summary by Region - March 31, 2006 (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
	Suburban Baltimore						
1	1615 and 1629 Thames Street	Baltimore City		1989	M	104,203	
						104,203	—
1	11311 McCormick Road	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1984/1994	M	211,931	
2	200 International Circle	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1987	M	128,658	
3	230 Schilling Circle	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1981	M	107,348	
4	226 Schilling Circle	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1980	M	98,640	
5	201 International Circle	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1982	M	78,634	
6	11011 McCormick Road	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1974	M	55,249	
7	11101 McCormick Road	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1976	S	24,232	
						704,692	—
1	10150 York Road	Hunt Valley/Rte 83 Corridor		1985	M	176,689	
2	9690 Deereco Road	Hunt Valley/Rte 83 Corridor		1988	M	134,175	
3	375 West Padonia Road	Hunt Valley/Rte 83 Corridor		1986	M	110,328	
						421,192	—
1	7210 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1972	S	83,435	
2	7152 Windsor Boulevard	Baltimore County Westside	Rutherford Business Center	1986	S	57,855	
3	21 Governor’s Court	Baltimore County Westside	Rutherford Business Center	1981/1995	M	56,063	
4	7125 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1985	M	50,906	
5	7253 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1988	S	38,930	
6	7104 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1988	M	29,457	
7	17 Governor’s Court	Baltimore County Westside	Rutherford Business Center	1981	S	14,701	
8	15 Governor’s Court	Baltimore County Westside	Rutherford Business Center	1981	S	14,568	
9	7127 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1985	S	11,144	
10	7129 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1985	S	10,945	
11	7108 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1988	S	9,018	
12	7102 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1988	S	8,879	
13	7106 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1988	S	8,820	
14	7131 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1985	S	7,453	
						402,174	—
25	**Total Suburban Baltimore**					**1,632,261**	—
163	**TOTAL PORTFOLIO**					**13,670,971**	**1,163,916**

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

Property Summary by Region - March 31, 2006
Joint Venture Properties

Operating Property Count		Submarket	Business Park	Year Built or Renovated	S or M	Total Operational Square Feet	Total Square Feet Under Construction / Redevelopment
	Unconsolidated Joint Venture Properties						
	Greater Harrisburg						
1	2605 Interstate Drive	East Shore	Commerce Park	1990	M	79,456	
2	2601 Market Place	East Shore	Commerce Park	1989	M	65,411	
						144,867	—
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	
						409,680	—
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	
						117,212	—

16	**Total Greater Harrisburg**					**671,759**	**—**
	Northern/Central New Jersey						
1	695 Route 46	Wayne	Fairfield Corp. Cntr.	1990	M	157,394	
	Total Northern/Central New Jersey					**157,394**	**—**
17	**Total Unconsolidated Joint Venture Properties**					**829,153**	**—**
	Consolidated Joint Venture Properties						
	Suburban Maryland						
1	4230 Forbes Boulevard	Lanham	Forbes 50	2003	S	55,866	
	Total Suburban Maryland					**55,866**	**—**
	Baltimore/Washington Corridor						
	1362 Mellon Road (Lot 6B)	BWI Airport	Baltimore Commons	2006	M		44,134
	7468 Candlewood Road	BWI Airport	Baltimore Commons	1979/1982	S		471,587
	Total Baltimore/Washington Corridor					**—**	**515,721**
	Northern Virginia						
1	2900 Towerview Road	Route 28 South	Renaissance Park	1982	M	78,171	61,706
	Total Northern Virginia					**78,171**	**61,706**
2	**Total Consolidated Joint Venture Properties**					**134,037**	**577,427**
19	**TOTAL PORTFOLIO**					**963,190**	**577,427**

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	Suburban Baltimore	St. Mary's & King George Counties	Colorado Springs	San Antonio	Total Portfolio
March 31, 2006											
Number of Buildings	83	13	8	4	—	5	25	18	5	2	163
Rentable Square Feet	6,035,901	2,242,503	538,045	960,349	—	704,489	1,632,261	771,852	316,577	468,994	13,670,971
Occupied %	95.15%	92.87%	95.75%	100.00%	—	80.01%	86.51%	96.80%	83.12%	100.00%	93.31%
Leased %	95.69%	94.14%	95.98%	100.00%	—	89.03%	87.61%	97.53%	83.12%	100.00%	94.40%
December 31, 2005											
Number of Buildings	82	13	9	4	—	7	25	18	5	2	165
Rentable Square Feet	5,873,489	2,242,999	595,325	960,349	—	846,272	1,632,261	771,852	316,577	468,994	13,708,118
Occupied %	96.21%	96.36%	96.40%	100.00%	—	79.83%	84.74%	95.41%	85.81%	100.00%	93.97%
Leased %	96.35%	98.49%	96.40%	100.00%	—	85.67%	89.04%	97.53%	85.81%	100.00%	95.37%
September 30, 2005											
Number of Buildings	80	13	9	4	—	6	4	17	3	n/a	136
Rentable Square Feet	5,672,582	2,243,561	593,671	960,349	—	728,469	525,395	764,959	203,407	n/a	11,692,393
Occupied %	95.82%	94.90%	96.88%	100.00%	—	80.24%	86.90%	95.17%	95.46%	0.00%	94.62%
Leased %	96.70%	97.57%	96.88%	100.00%	—	80.24%	92.05%	95.33%	95.46%	0.00%	95.80%
June 30, 2005											
Number of Buildings	73	13	13	4	16	7	4	17	n/a	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	n/a	12,209,595
Occupied %	95.81%	94.64%	77.44%	100.00%	84.93%	76.01%	98.04%	97.86%	0.00%	0.00%	92.92%
Leased %											93.75%
March 31, 2005											
Number of Buildings	73	13	13	4	16	5	4	17	n/a	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	n/a	11,981,937
Occupied %	94.44%	93.37%	74.41%	100.00%	86.75%	81.52%	97.62%	97.06%	0.00%	0.00%	92.44%
Leased %											93.19%

Note: We now report our occupancy and leased activity for joint venture properties separately, effective in the third quarter 2005. Prior quarters have not been restated. The Other region has been renamed the Suburban Baltimore region.

Property Occupancy Rates by Region by Quarter
Joint Venture Properties

Unconsolidated		Consolidated		
Northern / Central New Jersey	Greater Harrisburg	Suburban Maryland	Northern Virginia	Total Portfolio

March 31, 2006					
Number of Buildings	1	16	1	1	19
Rentable Square Feet	157,394	671,759	55,866	78,171	963,190
Occupied %	81.57%	89.35%	47.95%	100.00%	86.54%
Leased %	88.91%	89.35%	47.95%	100.00%	87.74%
December 31, 2005					
Number of Buildings	1	16	1	—	18
Rentable Square Feet	157,394	671,759	55,866	—	885,019
Occupied %	80.89%	89.35%	47.95%	0.00%	85.23%
Leased %	86.85%	89.35%	47.95%	0.00%	86.29%
September 30, 2005					
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%	0.00%	83.43%
Leased %	80.72%	87.79%	47.95%	0.00%	84.01%

Note: We previously reported our occupancy and leased percentages for joint venture properties as part of our entire portfolio. 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 March 31, 2006

	Count	Square Feet	Occupied %	Leased %
Wholly Owned Properties	163	13,670,971	93.31%	94.40%
Add: Consolidated Joint Venture Properties	2	134,037	78.30%	78.30%
Subtotal	165	13,805,008	93.16%	94.25%
Add: Unconsolidated Joint Venture Properties	17	829,153	87.87%	89.27%
Entire Portfolio	**182**	**14,634,161**	**92.86%**	**93.96%**

Top Twenty Office Tenants of Wholly Owned Properties as of March 31, 2006
(Dollars and square feet in thousands)

Tenant		Number of Leases	Total Occupied Square Feet	Percentage of Total Occupied Square Feet	Total Annualized Rental Revenue (1) (6)	Percentage of Total Annualized Rental Revenue	Weighted Average Remaining Lease Term (2)
United States of America	(3)	43	2,037,616	16.0%	$ 39,964	15.1%	6.1
Booz Allen Hamilton, Inc.		11	680,815	5.3%	17,247	6.5%	7.6
Northrop Grumman Corporation		14	536,167	4.2%	11,994	4.5%	3.0
Computer Sciences Corporation	(4)	4	454,645	3.6%	10,981	4.2%	5.2
L-3 Communications Holdings, Inc.	(4)	5	239,153	1.9%	8,906	3.4%	7.4
Unisys	(5)	3	741,284	5.8%	8,060	3.0%	3.3
General Dynamics Corporation		9	278,239	2.2%	7,003	2.6%	3.7
The Aerospace Corporation		2	221,785	1.7%	6,139	2.3%	8.7
Wachovia Bank		4	183,641	1.4%	5,697	2.2%	12.4
AT&T Corporation	(4)	6	243,335	1.9%	5,331	2.0%	2.2
The Boeing Company	(4)	5	162,279	1.3%	4,340	1.6%	3.0
Ciena Corporation		3	221,609	1.7%	3,541	1.3%	4.5
VeriSign, Inc.		1	99,121	0.8%	3,064	1.2%	8.3
Magellan Health Services, Inc.		2	142,199	1.1%	2,867	1.1%	5.3
Lockheed Martin Corporation		6	159,677	1.3%	2,777	1.1%	3.2
Johns Hopkins University	(4)	7	106,473	0.8%	2,565	1.0%	1.5
Merck & Co., Inc. (Unisys)	(5)	1	219,065	1.7%	2,419	0.9%	3.3
Wyle Laboratories, Inc.		4	174,792	1.4%	2,398	0.9%	6.3
BAE Systems PLC	(4)	7	199,212	1.6%	2,340	0.9%	0.9
Comcast Corporation		3	107,437	0.8%	2,236	0.8%	3.5
Subtotal Top 20 Office Tenants		**140**	**7,208,544**	**56.5%**	**149,866**	**56.7%**	**5.6**
All remaining tenants		478	5,547,792	43.5%	114,437	43.3%	4.3
Total/Weighted Average		618	12,756,336	100.0%	$ 264,302	100.0%	5.0

(1) Total Annualized Rental Revenue is the monthly contractual base rent as of March 31, 2006 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)

	2006	2005			
	March 31	December 31	September 30	June 30	March 31
Office Properties:					
Baltimore/Washington Corridor	$ 34,393	$ 34,282	$ 30,771	$ 29,088	$ 29,679
Northern Virginia	15,573	15,979	15,473	14,385	14,419
Northern/Central New Jersey	2,893	2,868	3,862	3,179	3,871
Greater Philadelphia	2,506	2,506	2,506	2,506	2,506
Greater Harrisburg	(6)	—	2,197	2,166	2,244
St. Mary's and King George Counties	2,988	3,141	2,900	3,933	2,878
Suburban Maryland	3,553	3,614	3,354	3,133	2,454
Suburban Baltimore	7,357	3,025	2,720	2,692	2,662
San Antonio	1,810	1,814	—	—	—
Colorado Springs	1,289	983	23	—	—
Subtotal	72,356	68,212	63,806	61,082	60,713
Eliminations / other	(177)	(1,188)	(138)	(40)	(87)
Combined Real Estate Revenues	**$ 72,179**	**$ 67,024**	**$ 63,668**	**$ 61,042**	**$ 60,626**

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

	2006	2005			
	March 31	December 31	September 30	June 30	March 31
Office Properties:					
Baltimore/Washington Corridor	$ 24,024	$ 24,108	$ 21,524	$ 20,548	$ 20,266
Northern Virginia	10,083	10,634	10,266	9,603	9,404
Northern/Central New Jersey	1,908	1,780	2,244	1,656	2,361
Greater Philadelphia	2,466	2,466	2,464	2,469	2,471
Greater Harrisburg	44	(32)	1,425	1,504	1,500
St. Mary's and King George Counties	2,297	2,422	2,186	3,288	2,172
Suburban Maryland	2,236	2,220	2,120	2,054	1,368
Suburban Baltimore	4,517	1,878	1,641	1,724	1,490
San Antonio	1,477	1,479	—	—	—
Colorado Springs	798	613	(14)	—	—
Subtotal	49,850	47,568	43,856	42,846	41,032
Eliminations / other	263	(630)	482	287	677
Combined NOI	**$ 50,113**	**$ 46,938**	**$ 44,338**	**$ 43,133**	**$ 41,709**

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

	2006	2005			
	March 31	December 31	September 30	June 30	March 31
Office Properties: (1)					
Baltimore/Washington Corridor	$ 20,334	$ 21,263	$ 19,981	$ 19,728	$ 19,327
Northern Virginia	9,079	9,635	9,710	9,032	8,849
Northern/Central New Jersey	1,608	1,400	1,714	946	1,626
Greater Philadelphia	2,581	2,580	2,578	2,533	2,534
Suburban Maryland	1,593	1,376	1,416	1,362	1,222
St. Mary's and King George Counties	2,298	2,389	2,148	3,248	2,127
Suburban Baltimore	1,468	1,415	1,590	1,611	1,250
Total Office Properties	**$ 38,961**	**$ 40,058**	**$ 39,137**	**$ 38,460**	**$ 36,935**

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

	2006	2005			
	March 31	December 31	September 30	June 30	March 31
Office Properties: (1)					
Baltimore/Washington Corridor	$ 20,613	$ 21,851	$ 20,807	$ 20,417	$ 20,087
Northern Virginia	9,837	10,552	9,895	9,614	9,406
Northern/Central New Jersey	1,727	1,534	1,681	960	1,617

Greater Philadelphia	2,468	2,467	2,465	2,471	2,472
Suburban Maryland	1,600	1,410	1,466	1,416	1,290
St. Mary's and King George Counties	2,288	2,411	2,186	3,290	2,173
Suburban Baltimore	1,520	1,457	1,641	1,724	1,490
Total Office Properties	**$ 40,053**	**$ 41,682**	**$ 40,141**	**$ 39,892**	**$ 38,535**

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

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

	Baltimore / Washington Corridor	Northern Virginia	Northern / Central New Jersey	Greater Philadelphia	Suburban Maryland	Suburban Baltimore	St.Mary's and King George Counties	Total Office
1st Quarter 2006 Average								
Number of Buildings	72	13	8	4	3	4	16	120
Rentable Square Feet	5,301,817	2,242,668	538,045	960,349	420,850	525,395	764,681	10,753,805
Percent Occupied	95.02%	95.55%	95.71%	100.00%	87.14%	90.52%	97.01%	95.22%
4th Quarter 2005 Average								
Number of Buildings	72	13	8	4	3	4	16	120
Rentable Square Feet	5,301,951	2,242,999	538,045	960,349	420,850	525,395	764,681	10,754,270
Percent Occupied	96.19%	95.86%	96.09%	100.00%	88.22%	86.96%	95.37%	95.63%
3rd Quarter 2005 Average								
Number of Buildings	72	13	8	4	3	4	16	120
Rentable Square Feet	5,302,490	2,243,713	536,694	960,349	420,850	525,402	764,959	10,754,457
Percent Occupied	95.84%	94.74%	73.93%	100.00%	88.22%	89.28%	95.17%	94.22%
2nd Quarter 2005 Average								
Number of Buildings	72	13	8	4	3	4	16	120
Rentable Square Feet	5,301,001	2,244,018	536,845	960,349	420,850	525,406	764,876	10,753,345
Percent Occupied	95.38%	93.74%	66.68%	100.00%	87.98%	97.58%	97.50%	93.98%
1st Quarter 2005 Average								
Number of Buildings	72	13	8	4	3	4	16	120
Rentable Square Feet	5,296,968	2,244,018	536,845	960,349	420,850	525,380	764,711	10,749,121
Percent Occupied	94.39%	93.30%	72.64%	100.00%	86.51%	96.15%	96.99%	93.54%

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

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) (000's)	Percentage of Total Annualized Rental Revenue Expiring	Total Annual. Rental Revenue of Expiring Leases per Occupied Square Foot
April - June	22	260,420	2.0%	$ 5,339	2.0%	$ 20.50
July - September	14	239,063	1.9%	3,904	1.5%	16.33
October - December	24	253,559	2.0%	5,839	2.2%	23.03
Total 2006	**60**	**753,042**	**5.9%**	**15,082**	**5.7%**	**20.03**
2007	**102**	**1,518,180**	**11.9%**	**32,662**	**12.4%**	**21.51**
2008	**112**	**1,436,714**	**11.3%**	**30,653**	**11.6%**	**21.34**
2009	**118**	**2,628,542**	**20.6%**	**45,378**	**17.2%**	**17.26**
2010	**91**	**1,588,728**	**12.5%**	**35,687**	**13.5%**	**22.46**
2011	**47**	**853,832**	**6.7%**	**16,497**	**6.2%**	**19.32**
2012	**20**	**827,914**	**6.5%**	**17,803**	**6.7%**	**21.50**
2013	**12**	**519,740**	**4.1%**	**13,622**	**5.2%**	**26.21**
2014	**11**	**596,809**	**4.7%**	**18,532**	**7.0%**	**31.05**
2015	**26**	**1,043,732**	**8.2%**	**23,158**	**8.8%**	**22.19**
2016	**3**	**66,974**	**0.5%**	**1,612**	**0.6%**	**24.07**
2017	**1**	**65,700**	**0.5%**	**1,171**	**0.4%**	**17.83**
2018	**3**	**328,944**	**2.6%**	**7,378**	**2.8%**	**22.43**
2019	**—**	**—**	**0.0%**	**—**	**0.0%**	**—**
2020	**—**	**—**	**0.0%**	**—**	**0.0%**	**—**
2021	**1**	**46,748**	**0.4%**	**987**	**0.4%**	**21.10**

2022	—	—	**0.0%**	—	**0.0%**	—
2023	—	—	**0.0%**	—	**0.0%**	—
2024	—	—	**0.0%**	—	**0.0%**	—
2025	**2**	**468,994**	**3.7%**	**3,991**	**1.5%**	**8.51**
Other (3)	9	11,743	0.1%	88	0.0%	7.48
Total / Average	**618**	**12,756,336**	**100.0%**	**$ 264,302**	**100.0%**	**$ 20.72**

NOTE: As of March 31, 2006, the weighted average lease term for the wholly owned properties is 5.0 years.

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(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 March 31, 2006 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.

Quarterly Office Renewal Analysis for Wholly Owned Properties as of March 31, 2006

	Baltimore/ Washington Corridor	Northern Virginia	Northern/ Central New Jersey	Suburban Maryland	Suburban Baltimore	St. Mary's and King George Counties	Colorado Springs	Total Office
Quarter Ended March 31, 2006:								
Expiring Square Feet	310,571	196,139	2,726	26,320	69,431	34,390	8,514	648,091
Vacated Square Feet	48,125	97,895	—	4,570	58,971	9,190	8,514	227,265
Renewed Square Feet	262,446	98,244	2,726	21,750	10,460	25,200	—	420,826
Retention Rate (% based upon square feet)	84.50%	50.09%	100.00%	82.64%	15.07%	73.28%	0.00%	64.93%
Renewed Space Only:								
Average Committed Cost per Square Foot	$ 2.39	$ 4.59	$ 1.13	$ 3.22	$ 1.65	$ 0.33	$ —	$ 2.80
Weighted Average Lease Term in years	5.2	3.1	1.6	2.5	2.2	2.3	—	4.3
Change in Total Rent - GAAP	24.01%	5.61%	1.43%	-3.13%	1.95%	19.15%	0.00%	15.56%
Change in Total Rent - Cash	12.43%	-0.52%	0.89%	-10.86%	-2.61%	17.57%	0.00%	6.35%
Renewed & Retenanted Space:								
Average Committed Cost per Square Foot	$ 3.72	$ 4.59	$ 7.76	$ 7.65	$ 4.98	$ 2.83	$ —	$ 4.11
Weighted Average Lease Term in years	5.1	1.0	2.1	2.9	2.8	3.8	—	4.3
Change in Total Rent - GAAP	21.01%	5.61%	4.36%	-5.61%	1.14%	14.93%	0.00%	14.11%
Change in Total Rent - Cash	9.53%	-0.52%	3.27%	-12.08%	-4.69%	10.42%	0.00%	4.84%

Notes: No renewal or retenanting activity transpired in our Greater Philadelphia or San Antonio, Texas regions.
We ceased reporting renewal and retenanting activity for our unconsolidated joint venture properties effective fourth quarter of 2005.
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.

Year to Date Wholly Owned Acquisition Summary as of March 31, 2006 (1)
(Dollars in thousands)

	Submarket	Acquisition Date	Square Feet	Occupancy Percentage at Acquisition	Contractual Purchase Price	Investment (2)
Individual Property:						
9965 Federal Drive (3)	Colorado Springs East	1/19/2006	60,000	0.0%	$ 2,134	$ 2,136
Total			**60,000**		**$ 2,134**	**$ 2,136**

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(1) Excludes land only acquisitions.
(2) Initial accounting investment recorded by property.
(3) Contractual Purchase Price and Investment balances are net of land parcel that will be separately developed.

Year to Date Wholly Owned Disposition Summary as of March 31, 2006 (1)
(Dollars in thousands)

	Submarket	Disposition Date	Square Feet	Contractual Sales Price
14502 Greenview Drive	Laurel	2/6/2006	72,449	$ 8,687
14504 Greenview Drive	Laurel	2/6/2006	69,334	8,313
68 Culver Road	Exit 8A - Cranbury	3/8/2006	57,280	9,700
Total			**199,063**	**$ 26,700**

(1) Includes operational buildings only.

Development Summary as of March 31, 2006
(Dollars in thousands)

Property and Location		Submarket	Wholly Owned or Joint Venture (JV)	Total Rentable Square Feet	Percentage Leased	Anticipated Total Cost	Cost to date	Outstanding Loan as of 3/31/2006	Anticipated Date of Operations
Under Construction									
46591 Expedition Drive (Expedition 6) Lexington Park, Maryland	(1)	St. Mary's County	Owned	61,000	23.57%	$ 8,395	$ 6,423	$ —	Construction 3Q 06
15010 Conference Center Drive (WTP II) Chantilly, Virginia	(2)	Dulles South	Owned	234,072	33.17%	41,619	27,894	10,829	Construction 4Q 06
322 Sentinel Drive (322 NBP) Annapolis Junction, Maryland	(3)	BWI Airport	Owned	125,568	100.00%	21,526	17,854	14,773	Construction 4Q 06
Patriot Park View Colorado Springs, Colorado		Colorado Springs East	Owned	50,000	100.00%	11,293	6,592	—	Construction 4Q 06
6711 Columbia Gateway Drive Columbia, Maryland	(4)	Howard Co. Perimeter	Owned	125,000	42.45%	25,151	19,968	13,614	Construction 1Q 07
306 Sentinel Drive (306 NBP) Annapolis Junction, Maryland	(5)	BWI Airport	Owned	157,146	59.39%	26,991	22,963	18,835	Construction 1Q 07
1362 Mellon Road (Lot 6B) Hanover, Maryland	(6)	BWI Airport	JV	44,134	0.00%	8,590	5,569	—	Construction 2Q 07
320 Sentinel Drive (320 NBP) Annapolis Junction, Maryland		BWI Airport	Owned	125,760	0.00%	23,931	8,777	—	Construction 1Q 08
302 Sentinel Drive (302 NBP) Annapolis Junction, Maryland		BWI Airport	Owned	157,146	20.55%	31,699	8,719	—	Construction 2Q 08
Total Under Construction				**1,079,826**	**41.33%**	**$ 199,195**	**$ 124,759**	**$ 58,051**	

(1) Although classified as "Under Construction", 7,171 square feet is operational.
(2) Total loan commitment is $32.0 million.
(3) Total loan commitment is $19.0 million.
(4) Total loan commitment is $19.5 million.
(5) Total loan commitment is $25.0 million.
(6) Total loan commitment is $6.2 million.

Development Summary as of March 31, 2006 (continued)
(Dollars in thousands)

Property and Location		Submarket	Wholly Owned or Joint Venture (JV)	Total Rentable Square Feet	Percentage Leased	Anticipated Total Cost	Cost to date	Outstanding Loan as of 3/31/2006	Anticipated Date of Operations
Redevelopment									
940 Elkridge Landing Road (AS 7) Linthicum, Maryland	(1)	BWI Airport	Owned	55,063	0.00%	$ 6,455	$ 510	$ —	Redevelopment 4Q 06
9965 Federal Drive Colorado Springs, Colorado		Colorado Springs East	Owned	60,000	0.00%	3,716	217	—	Redevelopment 4Q 06
2900 Towerview Road Herndon, Virginia	(2)	Route 28 South	JV	139,877	55.89%	21,994	14,148	—	Redevelopment 1Q 07
7468 Candlewood Road Hanover, Maryland		BWI Airport	JV	471,587	100.00%	52,376	19,670	—	Redevelopment 2Q 07
Total Redevelopment				**726,527**	**75.67%**	**$ 84,541**	**$ 34,545**	**$ —**	
Under Development									

5522 Research Park Drive (UMBC) Baltimore, Maryland	Baltimore	Land Lease	23,500	100.00 %	$ 4,291	$ 123	$ —	Development 2007
300 Sentinel Drive (300 NBP) Annapolis Junction, Maryland	BWI Airport	Owned	202,400	0.00 %	36,198	—	—	Development 2008
316 Sentinel Drive (316 NBP) Annapolis Junction, Maryland	BWI Airport	Owned	125,000	0.00 %	24,941	—	—	Development 2008
7740 Milestone Parkway Hanover, Maryland	BWI Airport	Under Contract/ JV	151,800	0.00 %	32,347	1,896	—	Development 2008
Patriot Park View II Colorado Springs, Colorado	Colorado Springs East	Owned	90,000	0.00 %	17,100	—	—	Development 2008
6721 Columbia Gateway Drive Columbia, Maryland	Howard Co. Perimeter	Owned	131,550	0.00 %	30,820	2,453	—	Development 2008
16444 Commerce Drive Dahlgren, Virginia	King George County	Owned	56,000	0.00 %	9,645	345	—	Development 2008
Total Under Development			**780,250**	**3.01 %**	**$ 155,342**	**$ 4,817**	**$ —**	

(1) 940 Elkridge Landing Road's anticipated total cost excludes $4.8 million of incurred costs for land and building as this property was previously operational.
(2) Although classified as "Redevelopment," 78,171 square feet is operational.

Year to Date Development Placed into Service as of March 31, 2006
(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
304 Sentinel Drive (304 NBP) Annapolis Junction, Maryland	BWI Airport	Owned	162,498	162,498	100.00 %
Total			**162,498**	**162,498**	**100.00 %**

Land Inventory as of March 31, 2006

Location	Submarket	Status	Non-Wholly Owned Acres	Non-Wholly Owned Developable Square Feet	Wholly Owned Acres	Wholly Owned 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
2900 Towerview Road	Route 28 South	JV	4	55,000	—	—
Woodland Park	Herndon	owned	—	—	5	225,000
Total Northern Virginia			**4**	**55,000**	**73**	**1,523,300**
National Business Park	BWI Airport	owned	—	—	19	627,500
Columbia Gateway Parcel T-11	Howard Co. Perimeter	owned	—	—	14	220,000
1243 Winterson Road (AS 22)	BWI Airport	owned	—	—	2	30,000
ArundelPreserve	BWI Airport	under contract/ JV	56 up to	1,648,000	—	—
Lot 8F	BWI Airport	owned	—	—	2	—
7175 Riverwood	Howard Co. Perimeter	owned	—	—	4	60,000
1460 Dorsey Road	BWI Airport	owned	—	—	6	60,000
Total Baltimore / Washington Corridor			**56**	**1,648,000**	**47**	**997,500**
110 Thomas Johnson Drive	Frederick	owned	—	—	6	80,000
Rockville Corporate Center	Rockville	owned	—	—	10	215,000
UMBC Research Park	Baltimore	leased	5	23,500	—	—
Total Suburban Maryland			**5**	**23,500**	**16**	**295,000**
Unisys Campus	Blue Bell	owned	—	—	45	600,000
Unisys Campus	Blue Bell	option	27	354,000	—	—
Total Greater Philadelphia			**27**	**354,000**	**45**	**600,000**
Princeton Technology Center	Exit 8A - Cranbury	owned	—	—	19	250,000
Total Northern / Central New Jersey			**—**	**—**	**19**	**250,000**
Dahlgren Technology Center	King George County	owned	—	—	32	65,000
Expedition Park	St. Mary's County	owned	—	—	6	60,000
Total St. Mary's & King George Counties			**—**	**—**	**38**	**125,000**
Patriot Park	Colorado Springs East	owned	—	—	52	560,000
Interquest	North I-25 Corridor	50% interest	132	935,000	—	—
9965 Federal Drive	Colorado Springs East	owned	—	—	4	30,000
Total Colorado Springs			**132**	**935,000**	**56**	**590,000**
San Antonio	San Antonio	owned	—	—	27	350,000
San Antonio	San Antonio	owned	—	—	31	375,000

Total San Antonio	—	—	58	725,000
TOTAL	**224**	**3,015,500**	**352**	**5,105,800**

This land inventory schedule excludes all properties listed as under construction, redevelopment or under development as detailed on pages 32 and 33.

Joint Venture Summary as of March 31, 2006
(Dollars in thousands)

Consolidated Properties

Property and Location	Joint Venture Interest Held By COPT	Status	Square Feet	Acreage	Total Assets	Consolidated Debt as of 3/31/06	Recourse to COPT	Option to Acquire Partner's Interest
4230 Forbes Boulevard Lanham, Maryland	50%	Operating	55,866	5 acres	$ 4,298	$ 3,685	Yes, up to $4.5 million	Yes
7468 Candlewood Road (1) Hanover, Maryland	92.5%	Redevelopment	471,587	19 acres	20,379	—	N/A	Yes
2900 Towerview Road Herndon, Virginia	92.5%	Operating/ Redevelopment	139,877	12 acres	15,575	—	N/A	Yes
1362 Mellon Road (Lot 6B) Hanover, Maryland	50%	Construction	44,134	3 acres	5,614	3,238	Yes, up to $6.2 million	Yes
TOTAL					$ 45,866	$ 6,923		

Unconsolidated Properties

Property and Location	Joint Venture Interest Held By COPT	Status	Square Feet	COPT Investment	Off-Balance Sheet Debt as of 3/31/06	Recourse to COPT	Option to Acquire Partner's Interest
695 Route 46 Wayne, New Jersey	20%	Operating	157,394	$ 1,439	$ 13,698	No	No
Harrisburg Portfolio Harrisburg, Pennsylvania	20%	Operating	671,759	$ (3,010)	$ 66,600	No	No

(1) The 7468 Candlewood Road project consists of 472,000 square feet of warehouse space and will be redeveloped into approximately 325,000 rentable square feet of office space.

Reconciliations of Non GAAP Measurements
(Dollars in thousands)

	2006 March 31	2005 December 31	2005 September 30	2005 June 30	2005 March 31
Total Assets or Denominator for Debt to Total Assets	**$ 2,142,875**	**$ 2,129,759**	**$ 1,901,696**	**$ 1,890,448**	**$ 1,798,920**
Accumulated depreciation	183,920	174,935	163,381	165,058	153,084
Intangible assets on real estate acquisitions, net	85,699	90,984	67,686	66,354	64,965
Assets other than assets included in investment in real estate	(242,035)	(241,653)	(205,167)	(199,917)	(181,959)
Denominator for Debt to Undepreciated Book Value of Real Estate Assets	**$ 2,170,459**	**$ 2,154,025**	**$ 1,927,596**	**$ 1,921,943**	**$ 1,835,010**
GAAP Revenues from Real Estate Operations	**$ 71,700**	**$ 66,121**	**$ 62,131**	**$ 59,421**	**$ 58,928**
Revenues from discontinued operations	479	903	1,537	1,621	1,699
Other income/(expense)	—	—	—	—	(1)
Combined Real Estate Revenues	**$ 72,179**	**$ 67,024**	**$ 63,668**	**$ 61,042**	**$ 60,626**
GAAP Revenues from Real Estate Operations	**$ 71,700**	**$ 66,121**	**$ 62,131**	**$ 59,421**	**$ 58,928**
Property operating	(21,885)	(19,746)	(18,714)	(17,288)	(18,169)
Revenues from discontinued operations	479	903	1,537	1,621	1,699
Property operating from discontinued operations	(181)	(339)	(614)	(620)	(749)
Other revenue	—	(1)	(2)	(1)	—
Combined Net Operating Income	**$ 50,113**	**$ 46,938**	**$ 44,338**	**$ 43,133**	**$ 41,709**
GAAP Net Operating Income for Same Office Properties	**$ 40,053**	**$ 41,682**	**$ 40,141**	**$ 39,892**	**$ 38,535**
Less: Straight line rent adjustments	(976)	(1,381)	(1,347)	(1,318)	(1,556)
Less: Amortization of deferred market rental revenue	(116)	(243)	343	(114)	(44)
Cash Net Operating Income for Same Office Properties	**$ 38,961**	**$ 40,058**	**$ 39,137**	**$ 38,460**	**$ 36,935**
Depreciation and amortization	**$ 19,313**	**$ 15,376**	**$ 17,783**	**$ 14,848**	**$ 14,169**
Depreciation of furniture, fixtures and equipment	(270)	(195)	(178)	(171)	(161)

Depreciation and amortization from discontinued operations	25	229	244	410	496
Combined real estate related depreciation and other amortization	**$ 19,068**	**$ 15,410**	**$ 17,849**	**$ 15,087**	**$ 14,504**
Total tenant improvements and incentives on operating properties	**$ 2,873**	**$ 6,146**	**$ 3,484**	**$ 7,659**	**$ 13,163**
Total capital improvements on operating properties	3,123	2,944	2,760	1,973	2,105
Total leasing costs for operating properties	946	3,743	3,017	967	668
Less: Nonrecurring tenant improvements and incentives on operating properties	(1,281)	(4,872)	(1,199)	(5,883)	(9,551)
Less: Nonrecurring capital improvements on operating properties	(2,519)	(954)	(1,047)	(891)	(1,630)
Less: Nonrecurring leasing costs for operating properties	(358)	(1,969)	(2,070)	(532)	(21)
Add: Recurring improvements on operating properties held through joint ventures	24	188	—	—	—
Recurring capital expenditures	**$ 2,808**	**$ 5,226**	**$ 4,945**	**$ 3,293**	**$ 4,734**
Interest expense from continuing operations	**$ 17,584**	**$ 15,129**	**$ 14,132**	**$ 13,497**	**$ 12,962**
Interest expense from discontinued operations	131	245	364	419	396
Combined interest expense or denominator for interest coverage	**$ 17,715**	**$ 15,374**	**$ 14,496**	**$ 13,916**	**$ 13,358**
Scheduled principal amortization	7,559	3,819	3,750	3,789	7,394
Denominator for Debt Service Coverage	**$ 25,274**	**$ 19,193**	**$ 18,246**	**$ 17,705**	**$ 20,752**
Scheduled principal amortization	(7,559)	(3,819)	(3,750)	(3,789)	(7,394)
Preferred dividends - redeemable non-convertible	3,654	3,654	3,653	3,654	3,654
Preferred distributions	165	165	165	165	165
Denominator for Fixed Charge Coverage	**$ 21,534**	**$ 19,193**	**$ 18,314**	**$ 17,735**	**$ 17,177**
Common dividends for Earnings Payout Ratio	**$ 11,257**	**$ 11,069**	**$ 10,966**	**$ 9,381**	**$ 9,339**
Common distributions	2,374	2,386	2,452	2,205	2,179
Restricted shares	—	107	—	—	—
Dividends and distributions for FFO and AFFO Payout Ratio	**$ 13,631**	**$ 13,562**	**$ 13,418**	**$ 11,586**	**$ 11,518**