

**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 2, 2007**

CORPORATE OFFICE PROPERTIES TRUST

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of incorporation)

1-14023
(Commission
File Number)

23-2947217
(IRS Employer
Identification Number)

**6711 Columbia Gateway Drive, Suite 300
Columbia, Maryland 21046**
(Address of principal executive offices)

(443) 285-5400
(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 2, 2007, the Registrant is making available certain additional information pertaining to its properties and operations as of and for the period ended March 31, 2007. This information is furnished herewith as Exhibit 99.1 and is incorporated herein by reference.

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

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

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

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

Funds from operations ("FFO")

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

Accounting for real estate assets using historical cost accounting under GAAP assumes that the value of real estate assets diminishes predictably over time. NAREIT stated

in its April 2002 White Paper on Funds from Operations that “since real estate asset values have historically risen or fallen with market conditions, many industry investors have considered presentations of operating results for real estate companies that use historical cost accounting to be insufficient by themselves.” As a result, the concept of FFO was created by NAREIT for the REIT industry to “address this problem.” The Registrant agrees with the concept of FFO and believes that FFO is

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.

Funds from operations-Basic (“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.

FFO per diluted 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.

Funds from operations-diluted (“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.

FFO-diluted, as adjusted for issuance costs associated with redeemed preferred shares

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

FFO per diluted share, as adjusted for issuance costs associated with redeemed preferred shares

This measure is defined as (1) Diluted FFO adjusted to eliminate an accounting charge for original issuance costs associated with the redemption of preferred shares of beneficial interest 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 the denominator for this measure does not assume conversion of securities that are convertible into common shares if the conversion of those securities would increase the measure in a given period. The accounting charge pertains to a restructuring of the Company’s equity and is not indicative of normal operations. As such, the Registrant believes that a measure that excludes the accounting charge is a useful supplemental measure in evaluating its operating performance. The Registrant believes that diluted EPS is the most directly comparable GAAP measure. This measure has most of the same limitations as

Diluted FFO (described above), as well as the further limitation of not reflecting the effect of the preferred share redemption in accordance with GAAP; management compensates for these limitations in essentially the same manner as described above for Diluted FFO.

Adjusted funds from operations-diluted (“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.

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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.

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Item 9.01. Financial Statements and Exhibits

- (a) Financial Statements of Businesses Acquired

- None
- (b) Pro Forma Financial Information
- None
- (c) Shell Company Transactions
- None
- (d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Supplemental information dated March 31, 2007 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 2, 2007

CORPORATE OFFICE PROPERTIES TRUST

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

By: /s/ STEPHEN E. RIFFEE
Name: Stephen E. Riffée
Title: Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Exhibit Title</u>
99.1	Supplemental information dated March 31, 2007 for Corporate Office Properties Trust.

**Supplemental Information
(Unaudited)**

March 31, 2007



**Corporate Office Properties Trust
 Index to Supplemental Information (Unaudited)
 March 31, 2007**

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To Members of the Investment Community:

We prepared this supplemental information package to provide you with additional detail on our properties and operations. The information in this package is unaudited, furnished to the Securities and Exchange Commission (“SEC”) and should be read in conjunction with our quarterly and annual reports. If you have any questions or comments, please contact Ms. Mary Ellen Fowler, Vice President and Treasurer at (443) 285-5450 or maryellen.fowler@copt.com. Reconciliations between GAAP and non GAAP measurements have been provided on page 35. Refer to our Form 8-K for definitions of certain terms used herein.

Reporting Period Highlights - First Quarter 2007

Financial Results

- Reported Net Income Available to Common Shareholders of \$1,554,000, or \$.03 per diluted share, for the first quarter of 2007 as compared to \$6,283,000, or \$.15 per diluted share, for the comparable 2006 period, representing a decrease of 80.0% per share. Included in our first quarter 2007 net income is a \$7.9 million increase in our depreciation and amortization associated with real estate operations, as compared to the first quarter of 2006, contributing to a significant drop in our earnings per share. Our acquisition of the Nottingham portfolio described below generated depreciation and amortization of \$6.3 million, the primary driver of our \$7.9 million increase.
- Reported FFO - diluted of \$28,288,000, or \$.51 per share/unit, for the first quarter of 2007 as compared to \$24,350,000, or \$.49 per share/unit, for the comparable 2006 period, representing an increase of 4.1% per share/unit.
- Reported AFFO - diluted of \$22,065,000 for the first quarter of 2007 as compared to \$18,865,000 for the comparable 2006 period, representing an increase of 17.0%.
- Our FFO payout ratio was 60.4% for the first quarter of 2007 as compared to 56.0% for the comparable 2006 period. Our AFFO payout ratio was 77.4% for the first quarter of 2007 as compared to 72.3% for the comparable 2006 period.

Acquisitions

- On January 9 and 10, 2007, we acquired 56 operating properties, containing approximately 2.4 million square feet, and 187 acres of land in the submarkets of White Marsh, Columbia, BWI, Towson and Hunt Valley, Maryland, for \$362.5 million, plus approximately \$1.4 million in transaction costs (collectively, the "Nottingham portfolio"). The 187 acres are developable into a minimum of two million square feet. The total acquisition price was funded through \$182.4 million in debt and cash, with the seller receiving \$154.9 million in the form of common shares issued at a deemed value of \$49.00 per share and \$26.6 million in Series K convertible preferred shares. Dividends on these Series K convertible preferred shares will accrue at the annual dividend rate of \$2.80 per share, which is equal to 5.6% of the \$50.00 per share liquidation preference on the preferred shares.

Financing Activity and Capital Transactions

- We assumed \$38.0 million of indebtedness with an average fixed interest rate of 6.03% and an average term of 8.5 years, in connection with our Nottingham portfolio acquisition.

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Additionally, we closed on an \$89.1 million variable rate loan which matures in June 2007 and bears interest based on a leverage grid.

- As of March 31, 2007, our ratio of debt to market capitalization was 38.5%, and our ratio of debt to undepreciated book value of real estate assets was 60.3%. We achieved an EBITDA interest coverage ratio of 2.66x and an EBITDA fixed charge coverage ratio of 2.21x for this quarter.

Development

- In the first quarter, we executed leases for approximately 17,000 square feet of development space located within our Baltimore/Washington Corridor region.

Operations

- Our wholly owned portfolio was 93.0% occupied and 93.7% leased as of March 31, 2007. Our entire portfolio was 92.8% occupied and 93.5% leased as of March 31, 2007.
- Our same office property cash NOI for the quarter ended March 31, 2007 increased by 2.4%, or \$1.1 million, as compared to the quarter ended March 31, 2006. Our same office property cash NOI was positively impacted by an increase of \$.5 million in termination fees and improved occupancy which were partially offset by an increase in unrecoverable costs. Our same office portfolio consists of 157 properties and represents 75.7% of our wholly owned portfolio as of March 31, 2007.
- The weighted average lease term of our wholly owned portfolio is 4.8 years as of March 31, 2007, with an average contractual rental rate (including tenant reimbursements of operating costs) of \$20.93 per square foot.
- We renewed 570,771 square feet, or 72.13%, of our expiring office leases (based upon square footage) with an average committed cost of \$7.98 per square foot during the first quarter. For our renewed space only, we realized an increase in total rent of 10.14%, as measured from the GAAP straight-line rent in effect preceding the renewal date, and an increase of 3.14% in total cash rent. For our renewed and retenanted space of 780,392 square feet, we realized an increase in total rent of 7.41%, as measured from the GAAP straight-line rent in effect preceding the renewal date, and an increase of 1.09% in total cash rent. We incurred an average committed cost of \$10.06 per square foot for our renewed and retenanted space in the first quarter.
- We recognized \$1.7 million in lease termination fees, net of write-offs of related straight-line rents and the write off of previously unamortized deferred market revenue (SFAS 141 revenues) in the quarter ended March 31, 2007, as compared to \$348,000 in the quarter ended March 31, 2006.

Subsequent Events

- On April 6, 2007, we purchased, for \$14.0 million, the remaining 50% interest in a joint venture which holds title to 132 acres which can support future development of 1.75 million square feet of office space in Colorado Springs, Colorado. In connection with this transaction, we issued 262,165 common units valued at \$47.68 per share for total consideration of \$12.5 million.

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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, 2006.

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Quarterly Selected Financial Summary Data
(Dollars in thousands)

	2007		2006		
	March 31	December 31	September 30	June 30	March 31
Revenues from Real Estate Operations	\$ 89,675	\$ 77,818	\$ 77,209	\$ 70,769	\$ 69,222
Total Revenues	99,752	92,662	92,000	84,909	85,531
Combined Net Operating Income	58,371	55,636	53,331	50,680	50,112
EBITDA	53,852	51,095	65,379	47,614	49,301
Net Income	5,547	9,587	20,587	9,116	9,937
Preferred Share dividends	(3,993)	(3,790)	(4,307)	(3,653)	(3,654)
Issuance costs associated with redeemed preferred shares	—	(2,067)	(1,829)	—	—
Net Income Available to Common Shareholders	\$ 1,554	\$ 3,730	\$ 14,451	\$ 5,463	\$ 6,283
Earnings per diluted share	\$ 0.03	\$ 0.08	\$ 0.33	\$ 0.13	\$ 0.15
Earnings per diluted share, as adjusted for issuance costs associated with redeemed preferred shares	\$ 0.03	\$ 0.13	\$ 0.37	\$ 0.13	\$ 0.15
Funds From Operations (FFO) - Diluted	\$ 28,288	\$ 25,077	\$ 24,329	\$ 25,181	\$ 24,350
FFO per diluted share	\$ 0.51	\$ 0.48	\$ 0.46	\$ 0.49	\$ 0.49
FFO per diluted share, as adjusted for issuance costs associated with redeemed preferred shares	\$ 0.51	\$ 0.52	\$ 0.50	\$ 0.49	\$ 0.49
Adjusted FFO - Diluted	\$ 22,065	\$ 17,695	\$ 19,173	\$ 18,946	\$ 18,865
Payout Ratios:					
Earnings Payout	934.9%	356.4%	91.8%	217.0%	179.2%
FFO - Diluted	60.4%	63.5%	65.4%	56.4%	56.0%
AFFO - Diluted	77.4%	89.9%	83.0%	75.0%	72.3%
Total Dividends/Distributions	\$ 21,241	\$ 19,869	\$ 20,380	\$ 18,028	\$ 17,450

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

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

	2007		2006		
	March 31	December 31	September 30	June 30	March 31
Assets					
Investment in real estate:					
Land—operational	\$ 412,791	\$ 343,098	\$ 334,430	\$ 337,866	\$ 314,550
Land—development	193,715	153,436	155,232	158,096	126,738
Construction in progress	185,579	144,991	160,128	152,099	140,607
Buildings and improvements	1,918,742	1,689,359	1,611,425	1,613,341	1,501,426

Investment in and advances to unconsolidated real estate joint ventures	—	—	—	1,509	1,439
Less: accumulated depreciation	(236,650)	(219,574)	(205,529)	(197,395)	(183,920)
Net investment in real estate	2,474,177	2,111,310	2,055,686	2,065,516	1,900,840
Cash and cash equivalents	22,003	7,923	10,810	5,748	20,169
Restricted cash	19,030	52,856	51,784	21,073	23,794
Accounts receivable, net	24,478	26,367	26,778	15,446	16,729
Deferred rent receivable	44,294	41,643	39,033	36,638	34,247
Deferred charges, net	45,496	43,710	40,091	34,802	33,731
Intangible assets on real estate acquisitions, net	131,934	87,325	92,061	100,132	85,699
Prepaid and other assets	53,311	48,467	39,679	28,930	27,557
Fair value of derivatives	—	—	—	833	110
Total assets	\$ 2,814,723	\$ 2,419,601	\$ 2,355,922	\$ 2,309,118	\$ 2,142,875
Liabilities and shareholders' equity					
Liabilities:					
Mortgage and other loans payable	\$ 1,515,183	\$ 1,298,537	\$ 1,206,682	\$ 1,433,718	\$ 1,360,638
3.5% Exchangeable senior notes	200,000	200,000	200,000	—	—
Accounts payable and accrued expenses	61,131	68,190	55,487	46,040	42,792
Rents received in advance and security deposits	25,127	20,237	20,842	18,124	16,394
Deferred revenue associated with acquired operating leases	14,607	11,120	12,074	13,906	11,721
Distributions in excess of investment in unconsolidated real estate joint ventures	3,797	3,614	3,103	3,067	3,010
Dividends and distributions payable	20,687	19,164	19,810	17,450	16,878
Fair value of derivatives	556	308	473	—	—
Other liabilities	8,395	7,941	5,526	5,135	5,314
Total liabilities	1,849,483	1,629,111	1,523,997	1,537,440	1,456,747
Minority interests:					
Preferred units in the Operating Partnership	8,800	8,800	8,800	8,800	8,800
Common units in the Operating Partnership	118,614	104,934	107,212	105,452	92,903
Other consolidated real estate joint ventures	2,408	2,453	1,760	1,778	1,190
Total minority interests	129,822	116,187	117,772	116,030	102,893
Commitments and contingencies	—	—	—	—	—
Shareholders' equity:					
Preferred Shares (\$0.01 par value; 15,000,000 authorized)	81	76	90	67	67
Common Shares of beneficial interest (\$0.01 par value; 75,000,000 authorized, 46,879,852 shares issued as of March 31, 2007)	469	429	425	421	400
Additional paid-in capital	932,287	758,032	790,525	733,996	655,818
Cumulative distributions in excess of net income	(96,516)	(83,541)	(76,046)	(79,062)	(72,670)
Accumulated other comprehensive (loss) gain	(903)	(693)	(841)	226	(380)
Total shareholders' equity	835,418	674,303	714,153	655,648	583,235
Total shareholders' equity and minority interests	965,240	790,490	831,925	771,678	686,128
Total liabilities and shareholders' equity	\$ 2,814,723	\$ 2,419,601	\$ 2,355,922	\$ 2,309,118	\$ 2,142,875

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

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

	2007		2006		
	March 31	December 31	September 30	June 30	March 31
Revenues					
Rental revenue	\$ 75,882	\$ 66,846	\$ 65,839	\$ 61,635	\$ 60,562
Tenant recoveries and other real estate operations revenue	13,793	10,972	11,370	9,134	8,660
Construction contract revenues	8,691	12,263	13,219	12,156	14,544
Other service operations revenues	1,386	2,581	1,572	1,984	1,765
Total Revenues	99,752	92,662	92,000	84,909	85,531
Expenses					
Property operating expenses	31,748	25,545	25,096	21,640	21,061
Depreciation and amortization associated with real estate operations	26,569	19,984	21,584	18,095	18,672
Construction contract expenses	8,483	11,827	12,465	11,643	14,026
Other service operations expenses	1,405	2,393	1,495	1,818	1,678
General and administrative expenses	4,614	5,042	4,226	3,705	3,963
Total Operating Expenses	72,819	64,791	64,866	56,901	59,400
Operating Income	26,933	27,871	27,134	28,008	26,131
Interest expense	(19,876)	(18,716)	(17,793)	(17,132)	(17,029)
Amortization of deferred financing costs	(884)	(949)	(736)	(606)	(556)

Income from continuing operations before equity in (loss) income of unconsolidated entities, income taxes and minority interests	6,173	8,206	8,605	10,270	8,546
Equity in (loss) income of unconsolidated entities	(94)	(52)	15	(32)	(23)
Income tax expense	(105)	(264)	(202)	(206)	(215)
Income from continuing operations before minority interests	5,974	7,890	8,418	10,032	8,308
Minority interest in income from continuing operations					
Common units in the Operating Partnership	(308)	(683)	(753)	(1,095)	(826)
Preferred units in the Operating Partnership	(165)	(165)	(165)	(165)	(165)
Other consolidated entities	47	40	38	25	33
Income from continuing operations	5,548	7,082	7,538	8,797	7,350
(Loss) income from discontinued operations, net of minority interests	(1)	2,505	12,452	294	2,477
Income before gain on sales of real estate	5,547	9,587	19,990	9,091	9,827
Gain on sales of real estate, net of minority interests	—	—	597	25	110
Net Income	5,547	9,587	20,587	9,116	9,937
Preferred share dividends	(3,993)	(3,790)	(4,307)	(3,653)	(3,654)
Issuance costs associated with redeemed preferred shares	—	(2,067)	(1,829)	—	—
Net Income Available to Common Shareholders	\$ 1,554	\$ 3,730	\$ 14,451	\$ 5,463	\$ 6,283

For EPS Computations:

Numerator for Dilutive EPS	\$ 1,554	\$ 3,730	\$ 14,451	\$ 5,463	\$ 6,283
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Denominator:

Weighted Average Common Shares - Basic	45,678	42,439	42,197	41,510	39,668
Dilutive effect of share-based compensation awards	1,465	1,641	1,649	1,721	1,842
Weighted Average Common Shares - Diluted	47,143	44,080	43,846	43,231	41,510

Earnings per diluted share	\$ 0.03	\$ 0.08	\$ 0.33	\$ 0.13	\$ 0.15
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**Quarterly Consolidated Reconciliations of Funds From Operations (FFO), Adjusted Funds From Operations (AFFO) and Earnings per diluted share, as adjusted
(Dollars in thousands)**

	2007		2006		
	March 31	December 31	September 30	June 30	March 31
Net Income	\$ 5,547	\$ 9,587	\$ 20,587	\$ 9,116	\$ 9,937
Issuance costs associated with redeemed preferred shares(1)	—	(2,067)	(1,829)	—	—
Combined real estate related depreciation and other amortization	26,300	19,768	21,305	18,490	19,068
Depreciation and amortization of unconsolidated real estate entities	168	345	362	109	85
Depreciation and amortization allocable to minority interests in other consol. entities	(42)	(41)	(36)	(44)	(33)
(Gain)/loss on sales of real estate properties, excluding development	—	71	(15,262)	6	(2,459)
Funds From Operations (FFO)	31,973	27,663	25,127	27,677	26,598
Minority interest - common units, gross	308	1,204	3,509	1,157	1,406
Preferred share dividends	(3,993)	(3,790)	(4,307)	(3,653)	(3,654)
Funds From Operations (FFO) - Basic & Diluted	28,288	25,077	24,329	25,181	24,350
Straight line rent adjustments	(2,571)	(2,484)	(2,819)	(2,315)	(2,122)
Amortization of deferred market rental revenue	(511)	(578)	(276)	(495)	(555)
Issuance costs associated with redeemed preferred shares(1)	—	2,067	1,829	—	—
Recurring capital expenditures	(3,141)	(6,387)	(3,890)	(3,425)	(2,808)
Adjusted Funds From Operations (AFFO) - Diluted	\$ 22,065	\$ 17,695	\$ 19,173	\$ 18,946	\$ 18,865
Preferred dividends - redeemable non-convertible	3,993	3,790	4,307	3,653	3,654
Preferred distributions	165	165	165	165	165
Common distributions	2,554	2,622	2,643	2,357	2,374
Common dividends	14,529	13,292	13,265	11,853	11,257
Total Dividends/Distributions	\$ 21,241	\$ 19,869	\$ 20,380	\$ 18,028	\$ 17,450
Denominator for earnings per share - Diluted	47,143	44,080	43,846	43,231	41,510
Common units	8,411	8,495	8,562	8,465	8,520
Denominator for funds from operations per share - Diluted	55,554	52,575	52,408	51,696	50,030
Funds From Operations (FFO) - Diluted	\$ 28,288	\$ 25,077	\$ 24,329	\$ 25,181	\$ 24,350
Issuance costs associated with redeemed preferred shares(1)	—	2,067	1,829	—	—
FFO-Diluted, as adjusted for issuance costs associated with redeemed preferred shares	\$ 28,288	\$ 27,144	\$ 26,158	\$ 25,181	\$ 24,350
Numerator for Dilutive EPS Computation	\$ 1,554	\$ 3,730	\$ 14,451	\$ 5,463	\$ 6,283
Issuance costs associated with redeemed preferred shares (1)	—	2,067	1,829	—	—

Numerator for Dilutive EPS Computation, as adjusted	\$ 1,554	\$ 5,797	\$ 16,280	\$ 5,463	\$ 6,283
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Earnings per diluted share, as adjusted for issuance costs associated with redeemed preferred shares	\$ 0.03	\$ 0.13	\$ 0.37	\$ 0.13	\$ 0.15
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(1) Earnings per diluted share and FFO per diluted share have been adjusted to exclude the issuance costs associated with our Series E and Series F redeemed preferred shares.

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

	2007		2006		
	March 31	December 31	September 30	June 30	March 31
Net Income	\$ 5,547	\$ 9,587	\$ 20,587	\$ 9,116	\$ 9,937
Combined interest expense	20,264	18,885	18,184	17,636	17,715
Combined amortization of deferred financing costs	884	949	864	609	559
Income tax expense (benefit), gross	105	264	202	206	215
Depreciation of furniture, fixtures and equipment	326	313	601	260	269
Combined real estate related depreciation and other amortization	26,300	19,768	21,305	18,490	19,068
Minority interest-preferred units	165	165	165	165	165
Minority interest-other consolidated entities	(47)	(40)	(38)	(25)	(33)
Minority interest-common units, gross	308	1,204	3,509	1,157	1,406
Earnings Before Interest, Income Taxes, Depreciation and Amortization (EBITDA)	\$ 53,852	\$ 51,095	\$ 65,379	\$ 47,614	\$ 49,301
Addback:					
General and administrative	4,614	5,042	4,226	3,706	3,963
Income from service operations	(189)	(624)	(831)	(679)	(605)
(Gain) loss on sales of depreciated real estate properties	—	71	(15,262)	6	(2,459)
Merchant sales and real estate services	—	—	(166)	1	(111)
Equity in (income) loss of unconsolidated entities	94	52	(15)	32	23
Combined Net Operating Income (NOI)	\$ 58,371	\$ 55,636	\$ 53,331	\$ 50,680	\$ 50,112
Discontinued Operations					
Revenues from real estate operations	\$ 720	\$ 3,659	\$ 1,849	\$ 2,309	\$ 2,957
Property operating expenses	(276)	(296)	(631)	(758)	(1,006)
Depreciation and amortization	(57)	(97)	(322)	(655)	(665)
Amortization of deferred financing costs	—	—	(128)	(3)	(3)
General and administrative	—	—	—	(1)	—
Interest	(388)	(169)	(391)	(504)	(686)
Gain (loss) on sales of real estate	—	(71)	14,699	(32)	2,435
Income from discontinued operations	(1)	3,026	15,076	356	3,032
Minority interests in discontinued operations	—	(521)	(2,624)	(62)	(555)
Income from discontinued operations, net of minority interests	\$ (1)	\$ 2,505	\$ 12,452	\$ 294	\$ 2,477
Gain on sales of real estate, net, per statements of operations	\$ —	\$ —	\$ 597	\$ 25	\$ 110
Add income taxes and minority interest	—	—	132	—	25
Gain (loss) on sales of real estate from discontinued operations	—	(71)	14,699	(32)	2,435
Combined gain (loss) on sales of real estate	—	(71)	15,428	(7)	2,570
Merchant sales and real estate services	—	—	(166)	1	(111)
Gain (loss) on sales of depreciated real estate properties	\$ —	\$ (71)	\$ 15,262	\$ (6)	\$ 2,459

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

	2007		2006		
	March 31	December 31	September 30	June 30	March 31
Common Equity - End of Quarter					
Common Shares	46,880	42,898	42,811	42,374	40,244
Common Units	8,237	8,459	8,525	8,595	8,480
Total	55,117	51,357	51,336	50,969	48,724
End of Quarter Common Share Price	\$ 45.68	\$ 50.47	\$ 44.76	\$ 42.08	\$ 45.74
Market Value of Common Shares/Units	\$ 2,517,745	\$ 2,591,988	\$ 2,297,799	\$ 2,144,776	\$ 2,228,636
Common Shares Trading Volume					
Average Daily Volume (Shares)	416	353	338	284	189

Average Daily Volume (Dollars in thousands)	\$ 20,932.69	\$ 17,018.81	\$ 15,199.34	\$ 11,606.66	\$ 7,838.86
As a Percentage of Weighted Average Common Shares	0.9%	0.8%	0.8%	0.7%	0.5%
Common Share Price Range					
Quarterly High	\$ 56.45	\$ 51.45	\$ 47.54	\$ 45.74	\$ 46.12
Quarterly Low	\$ 44.85	\$ 44.21	\$ 40.65	\$ 37.32	\$ 34.91
Quarterly Average	\$ 50.27	\$ 48.23	\$ 44.92	\$ 40.83	\$ 41.41
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
Convertible Series K Preferred Shares Outstanding(1)	532	—	—	—	—
Conversion Ratio	0.8163	—	—	—	—
Common Shares Issued Assuming Conversion	434	—	—	—	—
Nonconvertible Preferred Equity - End of Quarter					
Redeemable Series E Shares Outstanding(2)	—	—	—	1,150	1,150
Redeemable Series F Shares Outstanding(3)	—	—	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
Redeemable Series J Shares Outstanding(4)	3,390	3,390	3,390	—	—
Total Nonconvertible Preferred Equity	7,590	7,590	9,015	6,775	6,775
Total Convertible Preferred Equity	884	352	352	352	352
Total Preferred Equity	8,474	7,942	9,367	7,127	7,127
Preferred Share Recorded Book Value at \$25 per share	\$ 198,550	\$ 198,550	\$ 234,175	\$ 178,175	\$ 178,175
Preferred Share Recorded Book Value at \$50 per share	26,583	—	—	—	—
Recorded Book Value of Preferred Equity	\$ 225,133	\$ 198,550	\$ 234,175	\$ 178,175	\$ 178,175
Weighted Average Shares:					
Common Shares Outstanding	45,678	42,439	42,197	41,510	39,668
Dilutive effect of share-based compensation awards	1,465	1,641	1,649	1,721	1,842
Common Units	8,411	8,495	8,562	8,465	8,520
Denominator for funds from operations per share - diluted	55,554	52,575	52,408	51,696	50,030
Capitalization					
Recorded Book Value of Preferred Shares	\$ 225,133	\$ 198,550	\$ 234,175	\$ 178,175	\$ 178,175
Market Value of Common Shares/Units	2,517,745	2,591,988	2,297,799	2,144,776	2,228,636
Total Equity Market Capitalization	\$ 2,742,878	\$ 2,790,538	\$ 2,531,974	\$ 2,322,951	\$ 2,406,811
Total Debt	\$ 1,715,183	\$ 1,498,537	\$ 1,406,682	\$ 1,433,718	\$ 1,360,638
Total Market Capitalization	\$ 4,458,061	\$ 4,289,075	\$ 3,938,656	\$ 3,756,669	\$ 3,767,448
Debt to Total Market Capitalization	38.5%	34.9%	35.7%	38.2%	36.1%
Debt to Total Assets	60.9%	61.9%	59.7%	62.1%	63.5%
Debt to Undepreciated Book Value of Real Estate Assets	60.3%	62.0%	59.8%	60.7%	62.7%

- (1) We issued 531,667 Series K Cumulative Redeemable Preferred Shares with a \$50.00 per share liquidation preference on January 9, 2007.
- (2) We redeemed all of the outstanding Series E Preferred Shares on July 15, 2006 for \$28,750,000 or \$25.00 per share.
- (3) We redeemed all of the outstanding Series F Preferred Shares on October 15, 2006 for \$35,625,000 or \$25.00 per share.
- (4) We issued 3,390,000 Series J Cumulative Redeemable Preferred Shares with a \$25.00 per share liquidation preference on July 20, 2006.

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Quarterly Debt Analysis
(Dollars in thousands)

	2007		2006		
	March 31	December 31	September 30	June 30	March 31
Debt Outstanding					
Mortgage Loans	\$ 1,174,859	\$ 1,057,458	\$ 913,354	\$ 1,030,648	\$ 997,410
Construction Loans	76,324	56,079	93,328	100,070	84,228
Unsecured Revolving Credit Facility	264,000	185,000	200,000	303,000	279,000
Exchangeable Senior Notes(1)	200,000	200,000	200,000	—	—
	<u>\$ 1,715,183</u>	<u>\$ 1,498,537</u>	<u>\$ 1,406,682</u>	<u>\$ 1,433,718</u>	<u>\$ 1,360,638</u>
Average Outstanding Balance					
Mortgage Loans	\$ 1,167,459	\$ 918,938	\$ 951,798	\$ 994,927	\$ 998,726
Construction Loans	60,559	51,412	103,538	86,257	76,799
Unsecured Revolving Credit Facility	254,419	306,556	324,236	247,678	284,171
Exchangeable Senior Notes(1)	200,000	200,000	28,261	—	—
	<u>\$ 1,682,437</u>	<u>\$ 1,476,906</u>	<u>\$ 1,407,833</u>	<u>\$ 1,328,862</u>	<u>\$ 1,359,696</u>
Interest Rate Structure					
Fixed-Mortgage Loans	\$ 1,051,243	\$ 1,022,958	\$ 878,854	\$ 947,848	\$ 914,610

Fixed-Exchangeable Senior Notes(1)	200,000	200,000	200,000	—	—
Variable	363,940	175,579	227,828	385,870	396,028
Variable Subject to Interest Rate Protection(2)(3)	100,000	100,000	100,000	100,000	50,000
	<u>\$ 1,715,183</u>	<u>\$ 1,498,537</u>	<u>\$ 1,406,682</u>	<u>\$ 1,433,718</u>	<u>\$ 1,360,638</u>
% of Fixed Rate Loans(4)	78.78%	88.28%	83.80%	73.09%	70.89%
% of Variable Rate Loans(2)(3)	<u>21.22%</u>	<u>11.72%</u>	<u>16.20%</u>	<u>26.91%</u>	<u>29.11%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Average Contract Interest Rates

Mortgage & Construction Loans	6.12%	6.18%	6.24%	6.30%	6.24%
Unsecured Revolving Credit Facility	6.66%	6.77%	6.83%	6.23%	5.85%
Exchangeable Senior Notes(1)	3.50%	3.50%	3.50%	n/a	n/a
Total Weighted Average	5.80%	5.99%	6.35%	6.28%	6.13%

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

Interest Coverage - Combined NOI	2.88x	2.95x	2.93x	2.87x	2.83x
Interest Coverage - EBITDA	2.66x	2.71x	3.60x	2.70x	2.78x
Debt Service Coverage - Combined NOI	2.09x	2.45x	2.42x	2.33x	1.98x
Debt Service Coverage - EBITDA	1.93x	2.25x	2.97x	2.19x	1.95x
Fixed Charge Coverage - Combined NOI	2.39x	2.44x	2.35x	2.36x	2.33x
Fixed Charge Coverage - EBITDA	2.21x	2.24x	2.89x	2.22x	2.29x

- On September 18, 2006, we issued \$200.0 million in exchangeable senior notes. The notes bear interest at a fixed interest rate of 3.5%, with interest payable semi-annually beginning March 15, 2007, and mature in September 2026.
- 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 on the same day and expires March 30, 2009.
- On April 27, 2006, we entered into two notional amount swaps aggregating \$50.0 million at a fixed one-month LIBOR rate of 5.232%, which commenced May 1, 2006 and expire May 1, 2009.
- Includes interest rate protection agreements.

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

	2007		2006		
	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)	6.14%	11.77%	26.04%	12.47%	13.77%
Combined NOI as a % of Combined Real Estate Revenues (Combined NOI / Combined Real Estate Revenues)	64.57%	68.28%	67.46%	69.35%	69.43%
EBITDA as a % of Combined Real Estate Revenues (EBITDA / Combined Real Estate Revenues)	59.57%	62.71%	82.70%	65.16%	68.30%
G&A as a % of Net Income (G&A / Net Income)	83.18%	52.59%	20.53%	40.64%	39.88%
G&A as a % of Combined Real Estate Revenues (G&A / Combined Real Estate Revenues)	5.10%	6.19%	5.35%	5.07%	5.49%
G&A as a % of EBITDA (G&A / EBITDA)	8.57%	9.87%	6.46%	7.78%	8.04%
Recurring Capital Expenditures	\$ 3,141	\$ 6,387	\$ 3,890	\$ 3,425	\$ 2,808
Recurring Capital Expenditures per average square foot of wholly owned properties	\$ 0.19	\$ 0.43	\$ 0.26	\$ 0.24	\$ 0.21
Recurring Capital Expenditures as a % of NOI (Combined NOI)	5.38%	11.48%	7.29%	6.76%	5.60%

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Quarterly Dividend Analysis

	2007		2006		
	March 31	December 31	September 30	June 30	March 31
Common Share Dividends					
Dividends per share/unit	\$ 0.310	\$ 0.310	\$ 0.310	\$ 0.280	\$ 0.280
Increase over prior quarter	0.0%	0.0%	10.7%	0.0%	0.0%

Common Dividend Payout Ratios						
Payout - Earnings	934.9%	356.4%	91.8%	217.0%	179.2%	
Payout - FFO - Diluted	60.4%	63.5%	65.4%	56.4%	56.0%	
Payout - AFFO - Diluted	77.4%	89.9%	83.0%	75.0%	72.3%	
Dividend Coverage - FFO - Diluted	1.66x	1.58x	1.53x	1.77x	1.79x	
Dividend Coverage - AFFO - Diluted	1.29x	1.11x	1.21x	1.33x	1.38x	
Common Dividend Yields						
Dividend Yield	2.71%	2.46%	2.77%	2.66%	2.45%	
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 (1)						
Preferred Share Dividends Per Share	n/a	n/a	\$ 0.09965	\$ 0.64063	\$ 0.64063	
Preferred Share Dividend Yield	n/a	n/a	10.250%	10.250%	10.250%	
Quarter End Recorded Book Value	n/a	n/a	\$ 25.00	\$ 25.00	\$ 25.00	
Series F Preferred Share Dividends (2)						
Preferred Share Dividends Per Share	n/a	\$ 0.09601	\$ 0.61719	\$ 0.61719	\$ 0.61719	
Preferred Share Dividend Yield	n/a	9.875%	9.875%	9.875%	9.875%	
Quarter End Recorded Book Value	n/a	\$ 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	
Series J Preferred Share Dividends (3)						
Preferred Share Dividends Per Share	\$ 0.47656	\$ 0.47656	\$ 0.47656	n/a	n/a	
Preferred Share Dividend Yield	7.625%	7.625%	7.625%	n/a	n/a	
Quarter End Recorded Book Value	\$ 25.00	\$ 25.00	\$ 25.00	n/a	n/a	
Series K Preferred Share Dividends (4)						
Preferred Share Dividends Per Share	\$ 0.63770	n/a	n/a	n/a	n/a	
Preferred Share Dividend Yield	5.600%	n/a	n/a	n/a	n/a	
Quarter End Recorded Book Value	\$ 50.00	n/a	n/a	n/a	n/a	

- (1) We redeemed all of the outstanding Series E Preferred Shares on July 15, 2006 for \$28,750,000, or \$25.00 per share. A prorated dividend of \$0.09965 was recognized in the third quarter of 2006.
- (2) We redeemed all of the outstanding Series F Preferred Shares on October 15, 2006 for \$35,625,000, or \$25.00 per share. A prorated dividend of \$0.09601 was recognized in the fourth quarter of 2006.
- (3) We issued 3,390,000 Series J Cumulative Redeemable Preferred Shares with a \$25.00 per share liquidation preference on July 20, 2006 and paid a prorated dividend of \$0.4501 on October 15, 2006.
- (4) We issued 531,667 Series K Cumulative Redeemable Preferred Shares with a \$50.00 per share liquidation preference on January 9, 2007 and paid a dividend of \$0.7466 on April 15, 2007, \$0.6377 of which was recognized in the first quarter of 2007.

Investor Composition and Analyst Coverage
(as of March 31, 2007)

SHAREHOLDER CLASSIFICATION	Common Shares	Common Units	As if Converted Preferred Shares / Units	Total	Fully Diluted Ownership % of Total
Insiders	862,753	7,140,753	—	8,003,506	14.36%
Non-insiders	46,017,099	1,096,489	610,000	47,723,588	85.64%
	<u>46,879,852</u>	<u>8,237,242</u>	<u>610,000</u>	<u>55,727,094</u>	<u>100.00%</u>
RESEARCH COVERAGE	March 31, 2007	December 31, 2006	September 30, 2006	June 30, 2006	March 31, 2006
A. G. Edwards	x	x	x	x	x

BMO Capital Markets	x	x	x	x	x
Citigroup Global Markets	x	x	n/a	n/a	n/a
Credit Suisse First Boston	n/a	n/a	n/a	n/a	x
Ferris, Baker Watts, Incorporated	x	x	x	x	x
Friedman Billings Ramsey & Co.	x	x	x	x	n/a
Merrill Lynch	x	n/a	n/a	n/a	n/a
RBC Capital Markets	x	x	x	x	n/a
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

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Debt Maturity Schedule - March 31, 2007
(Dollars in thousands)

Year of Maturity	Non-Recourse Debt (1)		Recourse Debt (1)			Total Scheduled Payments
	Annual Amortization of Monthly Payments	Due on Maturity	Annual Amortization of Monthly Payments	Due on Maturity	Wachovia Revolver (2)	
2007	\$ 11,020	\$ 61,083	\$ 1,362	\$ 147,185	\$ —	\$ 220,650
2008	13,172	142,903	739	54,350	264,000	475,164
2009	9,722	52,228	795	—	—	62,745
2010	(3) 9,211	52,177	272	12,481	—	74,141
2011	7,425	102,264	241	—	—	109,930
2012	5,941	36,123	260	—	—	42,324
2013	2,727	134,843	282	—	—	137,852
2014	(4) 1,033	8,212	305	—	—	9,550
2015	705	114,558	329	—	—	115,592
2016	486	113,169	356	—	—	114,011
2017	369	150,610	385	—	—	151,364
2018	—	193	417	—	—	610
2019	—	—	373	38	—	411
	<u>\$ 61,811</u>	<u>\$ 968,363</u>	<u>\$ 6,116</u>	<u>\$ 214,054</u>	<u>\$ 264,000</u>	<u>\$ 1,514,344</u>
						Net premium to adjust to fair value of debt 839
						<u>Mortgage and Other Loans Payable \$ 1,515,183</u>
						<u>Exchangeable Senior Notes (5) \$ 200,000</u>
						<u>Total Debt \$ 1,715,183</u>

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 \$9.4 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 non-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.
- (5) Exchangeable Senior Notes expire in September 2026 but are subject to a put by the holders in September 2011 and every five years thereafter.

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Property Summary by Region - March 31, 2007
Wholly Owned Properties

Operating Property Count	Office Properties	Submarket	Business Park	Year Built or Renovated	S or M	Total Operational Square Feet	Total Square Feet Under Construction / Redevelopment
<u>Baltimore /Washington Corridor</u>							
1	2730 Hercules Road	BWI Airport	NBP	1990	M	240,336	
2	304 Sentinel Drive (304 NBP)	BWI Airport	NBP	2005	M	162,498	

3	306 Sentinel Drive (306 NBP)	BWI Airport	NBP	2006	M	157,896	
4	302 Sentinel Drive (302 NBP)	BWI Airport	NBP	2007	M		157,146
5	2720 Technology Drive (220 NBP)	BWI Airport	NBP	2004	M	156,730	
5	2711 Technology Drive (211 NBP)	BWI Airport	NBP	2002	M	152,000	
6	320 Sentinel Drive (320 NBP)	BWI Airport	NBP		M		125,681
6	318 Sentinel Drive (318 NBP)	BWI Airport	NBP	2005	M	125,681	
7	322 Sentinel Drive (322 NBP)	BWI Airport	NBP	2006	M	125,568	
8	140 National Business Parkway	BWI Airport	NBP	2003	M	119,904	
9	132 National Business Parkway	BWI Airport	NBP	2000	M	118,456	
10	2721 Technology Drive (221 NBP)	BWI Airport	NBP	2000	M	118,093	
11	2701 Technology Drive (201 NBP)	BWI Airport	NBP	2001	M	117,450	
12	2691 Technology Drive (191 NBP)	BWI Airport	NBP	2005	M	103,683	
13	134 National Business Parkway	BWI Airport	NBP	1999	M	93,482	
14	135 National Business Parkway	BWI Airport	NBP	1998	M	87,655	
15	133 National Business Parkway	BWI Airport	NBP	1997	M	87,401	
16	141 National Business Parkway	BWI Airport	NBP	1990	M	87,247	
17	131 National Business Parkway	BWI Airport	NBP	1990	M	69,039	
18	114 National Business Parkway	BWI Airport	NBP	2002	S	9,908	
						2,133,027	282,827
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	84,406	
8	881 Elkridge Landing Road	BWI Airport	APS	1986	M	73,572	
9	1190 Winterson Road	BWI Airport	APS	1987	M	72,518	
10	1099 Winterson Road	BWI Airport	APS	1988	M	70,569	
11	849 International Drive	BWI Airport	APS	1988	M	68,758	
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	
	940 Elkridge Landing Road	BWI Airport	APS	1984	M		53,941
21	939 Elkridge Landing Road	BWI Airport	APS	1983	M	53,031	
22	938 Elkridge Landing Road	BWI Airport	APS	1984	M	52,988	
						1,633,016	53,941
1	7467 Ridge Road	BWI Airport	Comm./Pkwy.	1990	M	74,326	
2	7240 Parkway Drive	BWI Airport	Comm./Pkwy.	1985	M	73,970	
3	7272 Park Circle Drive	BWI Airport	Comm./Pkwy.	1991/1996	M	59,397	
4	7318 Parkway Drive	BWI Airport	Comm./Pkwy.	1984	S	59,204	
5	7320 Parkway Drive	BWI Airport	Comm./Pkwy.	1983	S	58,453	
6	1340 Ashton Road	BWI Airport	Comm./Pkwy.	1989	S	46,400	
7	7321 Parkway Drive	BWI Airport	Comm./Pkwy.	1984	S	39,822	
8	1334 Ashton Road	BWI Airport	Comm./Pkwy.	1989	S	37,565	
9	1331 Ashton Road	BWI Airport	Comm./Pkwy.	1989	S	29,936	
10	1350 Dorsey Road	BWI Airport	Comm./Pkwy.	1989	S	19,992	
11	1344 Ashton Road	BWI Airport	Comm./Pkwy.	1989	M	17,062	
12	1341 Ashton Road	BWI Airport	Comm./Pkwy.	1989	S	15,841	
13	1343 Ashton Road	BWI Airport	Comm./Pkwy.	1989	S	9,962	
14	1348 Ashton Road	BWI Airport	Comm./Pkwy.	1988	S	3,108	
						545,038	
54	Subtotal (continued on next page)					4,311,081	336,768

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

Operating Property Count	Submarket	Business Park	Year Built or Renovated	S or M	Total Operational Square Feet	Total Square Feet Under Construction / Redevelopment	
54	Subtotal (continued from prior page)					4,311,081	336,768
	5522 Research Park Drive (UMBC) (1)	BWI Airport	bwtech@UMBC	S		23,500	
1	2500 Riva Road	Annapolis		2000	M	155,000	
1	Old Annapolis Road	Howard Co. Perimeter	Oakland Ridge	1985	M	150,000	
1	7125 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1973/1999	M	611,379	
2	7000 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1999	M	145,806	
3	6711 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2006	M	68,196	
4	6731 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2002	M	123,911	
5	6940 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1999	M	109,003	
6	6950 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1998	M	107,778	
7	8621 Robert Fulton Drive	Howard Co. Perimeter	Columbia Gateway	2005-2006	M	86,032	
8	7067 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2001	M	82,953	
9	6750 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	2001	M	78,460	
10	6700 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	1988	M	74,859	
11	6740 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	1992	M	63,480	
12	7015 Albert Einstein Drive	Howard Co. Perimeter	Columbia Gateway	1999	S	61,203	
13	8671 Robert Fulton Drive	Howard Co. Perimeter	Columbia Gateway	2002	S	56,350	
14	6716 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	1990	M	52,005	
15	8661 Robert Fulton Drive	Howard Co. Perimeter	Columbia Gateway	2002	S	49,307	
16	7130 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1989	S	46,840	
17	7142 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1994	S	45,951	
18	6708 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	1988	M	39,203	
19	7065 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2000	S	38,560	
20	7138 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1990	S	38,225	
21	7063 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2000	S	36,936	
22	6760 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	1991	M	36,440	
23	7150 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1991	S	35,812	
24	7061 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2000	M	29,910	
25	6724 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	2001	M	28,420	
26	7134 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1990	S	21,991	
					2,169,010	56,804	

1	7200 Riverwood Drive	Howard Co. Perimeter	Rivers Corporate Park	1986	S	160,000	
2	7160 Riverwood Drive	Howard Co. Perimeter	Rivers Corporate Park	2000	M	62,084	
3	9140 Guilford Road	Howard Co. Perimeter	Rivers Corporate Park	1983	S	41,704	
4	7150 Riverwood Drive	Howard Co. Perimeter	Rivers Corporate Park	2000	M	41,382	
5	9160 Guilford Road	Howard Co. Perimeter	Rivers Corporate Park	1984	M	37,034	
6	7170 Riverwood Drive	Howard Co. Perimeter	Rivers Corporate Park	2000	M	29,162	
7	7175 Riverwood Drive	Howard Co. Perimeter	Rivers Corporate Park	1996	S	26,500	
8	9150 Guilford Road	Howard Co. Perimeter	Rivers Corporate Park	1984	S	18,592	
9	10280 Old Columbia Road	Howard Co. Perimeter	Rivers Corporate Park	1988/2001	S	16,796	
10	10270 Old Columbia Road	Howard Co. Perimeter	Rivers Corporate Park	1988/2001	S	15,071	
11	9130 Guilford Road	Howard Co. Perimeter	Rivers Corporate Park	1984	S	13,700	
12	10290 Old Columbia Road	Howard Co. Perimeter	Rivers Corporate Park	1988/2001	S	10,890	
						472,915	—
1	9720 Patuxent Woods Drive	Howard Co. Perimeter	Owen Brown South	1986/2001	M	40,004	
2	9740 Patuxent Woods Drive	Howard Co. Perimeter	Owen Brown South	1986/2001	M	38,292	
3	9700 Patuxent Woods Drive	Howard Co. Perimeter	Owen Brown South	1986/2001	M	31,261	
4	9730 Patuxent Woods Drive	Howard Co. Perimeter	Owen Brown South	1986/2001	M	30,986	
5	9710 Patuxent Woods Drive	Howard Co. Perimeter	Owen Brown South	1986/2001	M	15,229	
						155,772	—
1	9020 Mendenhall Court	Howard Co. Perimeter	Sieling Business Park	1982/2005	S	49,259	
100	Total Baltimore/Washington Corridor					7,463,037	417,072

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

(1) This property is a land-lease property.

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Operating Property Count	Submarket	Business Park	Year Built or Renovated	S or M	Total Operational Square Feet	Total Square Feet Under Construction / Redevelopment	
<u>St. Mary's & King George Counties</u>							
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	2005-2006	M	60,029	
						121,185	—
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	M	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					824,710	—
<u>Northern Virginia</u>							
1	15000 Conference Center Drive	Dulles South	Westfields	1989	M	470,406	
2	15010 Conference Center Drive	Dulles South	Westfields	2006	M	223,610	
3	15059 Conference Center Drive	Dulles South	Westfields	2000	M	145,192	
4	15049 Conference Center Drive	Dulles South	Westfields	1997	M	145,053	
5	14900 Conference Center Drive	Dulles South	Westfields	1999	M	127,115	
6	14280 Park Meadow Drive	Dulles South	Westfields	1999	M	114,126	
7	4851 Stonecroft Boulevard	Dulles South	Westfields	2004	M	88,094	
8	14850 Conference Center Drive	Dulles South	Westfields	2000	M	69,711	
9	14840 Conference Center Drive	Dulles South	Westfields	2000	M	69,710	
						1,453,017	—
1	13200 Woodland Park Road	Herndon	Woodland	2002	M	404,665	
1	13454 Sunrise Valley Road	Herndon	Dulles Tech	1998	M	112,633	
2	13450 Sunrise Valley Road	Herndon	Dulles Tech	1998	M	53,728	
						166,361	—
1	1751 Pinnacle Drive	Tysons Corner		1989/1995	M	260,469	
2	1753 Pinnacle Drive	Tysons Corner		1976/2004	M	181,637	
						442,106	—
14	Total Northern Virginia					2,466,149	—

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

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Operating Property Count		Submarket	Business Park	Year Built or Renovated	S or M	Total Operational Square Feet	Total Square Feet Under Construction / Redevelopment
Other Virginia							
	Meadowville Road	Richmond Southwest	Meadowville Technology Park		M		193,000
	201 Technology Park Drive (1)	Southwest Virginia	Russell Regional Business Tech Park		S		102,842
	Total Other Virginia					—	295,842
Greater Philadelphia							
1	753 Jolly Road	Blue Bell	Unisys campus	1992	S	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	—
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	
1	8 Centre Drive	Exit 8A - Cranbury	Monroe Center	1989	S	16,199	
2	2 Centre Drive	Exit 8A - Cranbury	Monroe Center	1989	S	16,132	
						32,331	—
6	Total Northern/Central New Jersey					417,314	—
San Antonio, Texas							
2	8611 Military Drive	San Antonio		1982/1985	M	468,994	
	Total San Antonio, Texas					468,994	—
Colorado Springs							
	655 Space Center Drive	Colorado Springs East	Patriot Park		M		103,900
1	985 Space Center Drive	Colorado Springs East	Patriot Park	1989	M	102,717	
2	745 Space Center Drive	Colorado Springs East	Patriot Park	2006	M	50,000	
3	980 Technology Court	Colorado Springs East	Patriot Park	1995	S	33,190	
						185,907	103,900
	1055 North Newport Road	Colorado Springs East	Aerotech Commerce Park		M		59,763
1	1670 North Newport Road	Colorado Springs East		1986-1987	M	67,500	
2	1915 Aerotech Drive	Colorado Springs East		1985	S	37,946	
3	1925 Aerotech Drive	Colorado Springs East		1985	S	37,946	
						143,392	—
1	9950 Federal Drive	I-25 North Corridor	InterQuest Office	2001	S	66,222	
	9965 Federal Drive	I-25 North Corridor	InterQuest Office	1983	M		74,749
2	9960 Federal Drive	I-25 North Corridor	InterQuest Office	2001	S	46,948	
						113,170	74,749
1	5775 Mark Dabling Boulevard	Colorado Springs Northwest		1984	M	109,678	
2	5725 Mark Dabling Boulevard	Colorado Springs Northwest		1984	M	108,976	
3	5755 Mark Dabling Boulevard	Colorado Springs Northwest		1989	M	105,788	
						324,442	—
11	Total Colorado Springs					766,911	238,412

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

(1) The lease provides for conveyance of the land parcel.

Operating Property Count		Submarket	Business Park	Year Built or Renovated	S or M	Total Operational Square Feet	Total Square Feet Under Construction / Redevelopment
Suburban Maryland							
1	11800 Tech Road	North Silver Spring	Montgomery Industrial	1989	M	235,954	
2	400 Professional Drive	Gaithersburg	Crown Point	2000	M	129,311	
3	110 Thomas Johnson Drive	Frederick		1987/1999	M	117,803	
4	45 West Gude Drive	Rockville		1987	M	108,588	
5	15 West Gude Drive	Rockville		1986	M	106,928	
	Total Suburban Maryland					698,584	—
Suburban Baltimore							
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	226 Schilling Circle	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1980	M	98,640	
4	201 International Circle	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1982	M	78,634	
5	11011 McCormick Road	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1974	M	56,512	
6	216 Schilling Circle	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1988/2001	M	36,003	
7	222 Schilling Circle	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1978/1997	M	28,003	
8	224 Schilling Circle	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1978/1997	M	27,372	
9	11101 McCormick Road	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1976	S	24,232	
						689,985	—
1	10150 York Road	Hunt Valley/Rte 83 Corridor		1985	M	178,286	

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
						422,789
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	50,488
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	11,075
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
						401,886
1	502 Washington Avenue	Towson		1984	M	91,188
2	102 West Pennsylvania Avenue	Towson		1968/2001	M	49,497
3	100 West Pennsylvania Avenue	Towson		1952/1989	M	18,451
4	109-111 Allegheny Avenue	Towson		1971	M	18,431
						177,567
30	Subtotal (continued on next page)					1,692,227

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

Operating Property Count	Submarket	Business Park	Year Built or Renovated	S or M	Total Operational Square Feet	Total Square Feet Under Construction / Redevelopment
30	Subtotal (continued from prior page)				1,692,227	—
1	4940 Campbell Boulevard	White Marsh	Campbell Corporate Center	1990	M	49,813
1	8140 Corporate Drive	White Marsh	Corporate Place	2003	M	75,687
2	8110 Corporate Drive	White Marsh	Corporate Place	2001	M	75,687
						151,374
1	9910 Franklin Square Drive	White Marsh	Franklin Ridge	2005	S	56,271
2	9920 Franklin Square Drive	White Marsh	Franklin Ridge	2006	S	44,566
3	9930 Franklin Square Drive	White Marsh	Franklin Ridge	2001	S	39,750
4	9900 Franklin Square Drive	White Marsh	Franklin Ridge	1999	S	33,912
5	9940 Franklin Square Drive	White Marsh	Franklin Ridge	2000	S	33,134
						207,633
1	8020 Corporate Drive	White Marsh	McLean Ridge	1997	S	51,600
2	8094 Sandpiper Circle	White Marsh	McLean Ridge	1998	S	50,812
3	8098 Sandpiper Circle	White Marsh	McLean Ridge	1998	S	47,680
4	8010 Corporate Drive	White Marsh	McLean Ridge	1998	S	39,351
						189,443
1	5325 Nottingham Ridge Road	White Marsh	Nottingham Ridge	2002	S	37,322
2	5355 Nottingham Ridge Road	White Marsh	Nottingham Ridge	2005	S	36,981
						74,303
1	7941-7949 Corporate Drive	White Marsh	Tyler Ridge	1996	S	57,600
2	8007 Corporate Drive	White Marsh	Tyler Ridge	1995	S	43,197
3	8013 Corporate Drive	White Marsh	Tyler Ridge	1990	S	38,618
4	8019 Corporate Drive	White Marsh	Tyler Ridge	1990	S	25,461
5	8003 Corporate Drive	White Marsh	Tyler Ridge	1999	S	18,327
6	8015 Corporate Drive	White Marsh	Tyler Ridge	1990	S	16,610
7	8023 Corporate Drive	White Marsh	Tyler Ridge	1990	S	9,486
						209,299
1	5020 Campbell Boulevard	White Marsh	White Marsh Business Center	1986-1988	S	44,701
2	5024 Campbell Boulevard	White Marsh	White Marsh Business Center	1986-1988	S	33,791
3	5026 Campbell Boulevard	White Marsh	White Marsh Business Center	1986-1988	S	30,868
4	5022 Campbell Boulevard	White Marsh	White Marsh Business Center	1986-1988	S	27,507
						136,867
1	1001 Franklin Square Drive	White Marsh	White Marsh Commerce Center	1997	S	216,000
1	8114 Sandpiper Circle	White Marsh	White Marsh Health Center	1986	S	45,399
1	4979 Mercantile Road	White Marsh	White Marsh Hi-Tech Center	1985	S	50,498
2	4969 Mercantile Road	White Marsh	White Marsh Hi-Tech Center	1983	S	47,574
						98,072
1	7939 Honeygo Boulevard	White Marsh	White Marsh Professional Center	1984	M	28,081
2	8133 Perry Hall Boulevard	White Marsh	White Marsh Professional Center	1988	M	27,803
3	7923 Honeygo Boulevard	White Marsh	White Marsh Professional Center	1985	M	24,049
						79,933
1	8031 Corporate Drive	White Marsh		1988/2004	S	66,000
2	10552 Philadelphia Road	White Marsh		1996/2005	S	56,000
3	8615 Ridgely's Choice Drive	White Marsh		2005	M	37,797
4	8029 Corporate Drive	White Marsh		1988/2004	S	25,000
						184,797
66	Total Suburban Baltimore					3,335,160
226	TOTAL PORTFOLIO					17,401,208
						951,326

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

Property Summary by Region - March 31, 2007
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	—
16	Total Unconsolidated Joint Venture Properties					671,759	—
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	M		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
18	Total Consolidated Joint Venture Properties					134,037	577,427
	TOTAL PORTFOLIO					805,796	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	Suburban Maryland	Suburban Baltimore	St. Mary's & King George Counties	Colorado Springs	San Antonio	Total Portfolio
March 31, 2007										
Number of Buildings	100	14	6	4	5	66	18	11	2	226
Rentable Square Feet	7,463,037	2,466,149	417,314	960,349	698,584	3,335,160	824,710	766,911	468,994	17,401,208
Occupied%	94.11%	99.39%	68.73%	100.00%	94.79%	85.22%	92.15%	94.21%	100.00%	92.97%
Leased%	94.94%	99.39%	68.73%	100.00%	94.79%	86.91%	92.35%	94.21%	100.00%	93.66%
December 31, 2006										
Number of Buildings	87	14	6	4	5	23	18	11	2	170
Rentable Square Feet	7,021,396	2,466,113	417,314	960,349	698,584	1,425,788	824,710	766,911	468,994	15,050,159
Occupied%	95.10%	90.93%	97.18%	100.00%	83.20%	81.06%	92.15%	92.75%	100.00%	92.78%
Leased%	95.81%	99.46%	97.18%	100.00%	94.79%	85.36%	92.15%	93.04%	100.00%	95.46%
September 30, 2006										
Number of Buildings	86	13	6	4	5	23	18	11	2	168
Rentable Square Feet	6,825,128	2,242,503	417,314	960,349	704,770	1,425,023	779,059	766,911	468,994	14,590,051
Occupied%	95.03%	95.89%	97.18%	100.00%	82.18%	84.73%	96.80%	91.20%	100.00%	93.98%
Leased%	95.65%	99.30%	97.18%	100.00%	82.18%	88.59%	96.80%	92.96%	100.00%	95.26%
June 30, 2006										
Number of Buildings	85	13	8	4	5	25	18	10	2	170
Rentable Square Feet	6,740,423	2,242,503	538,045	960,349	704,489	1,636,354	779,059	717,018	468,994	14,787,234
Occupied%	95.52%	94.14%	94.88%	100.00%	82.01%	85.21%	96.74%	87.35%	100.00%	93.61%

Leased%	96.22%	94.59%	95.12%	100.00%	91.11%	88.34%	97.20%	90.85%	100.00%	94.97%
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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%

**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, 2007					
Number of Buildings	—	16	1	1	18
Rentable Square Feet	—	671,759	55,866	78,171	805,796
Occupied %	0.00%	91.25%	47.95%	100.00%	89.09%
Leased %	0.00%	91.25%	74.94%	100.00%	90.97%

December 31, 2006

Number of Buildings	—	16	1	1	18
Rentable Square Feet	—	671,211	55,866	78,171	805,248
Occupied %	0.00%	91.16%	47.95%	100.00%	89.02%
Leased %	0.00%	91.16%	47.95%	100.00%	89.02%

September 30, 2006

Number of Buildings	—	16	1	1	18
Rentable Square Feet	—	671,759	55,866	78,171	805,796
Occupied %	0.00%	91.46%	47.95%	100.00%	89.27%
Leased %	0.00%	91.46%	47.95%	100.00%	89.27%

June 30, 2006

Number of Buildings	1	16	1	1	19
Rentable Square Feet	157,394	671,759	55,866	78,171	963,190
Occupied %	86.85%	89.90%	47.95%	100.00%	87.79%
Leased %	86.85%	90.07%	47.95%	100.00%	87.91%

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%

**Reconciliation of Wholly Owned Properties to Entire
Portfolio as of March 31, 2007**

	Count	Square Feet	Occupied %	Leased %
Wholly Owned Properties	226	17,401,208	92.97%	93.66%
Add: Consolidated Joint Venture Properties	2	134,037	78.30%	89.56%
Subtotal	228	17,535,245	92.86%	93.63%
Add: Unconsolidated Joint Venture Properties	16	671,759	91.25%	91.25%
Entire Portfolio	244	18,207,004	92.80%	93.54%

**Top Twenty Office Tenants of Wholly Owned Properties as of March 31, 2007 (1)
(Dollars in thousands)**

Number of	Total Occupied	Percentage of Total Occupied	Total Annualized Rental	Percentage of Total Annualized Rental	Weighted Average Remaining
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Tenant	Leases	Square Feet	Square Feet	Revenue (2) (3)	Revenue	Lease Term (4)	
United States of America	(5)	47	2,212,793	13.7%	\$ 48,630	14.4%	6.4
Booz Allen Hamilton, Inc.		9	779,936	4.8%	21,107	6.2%	6.9
Northrop Grumman Corporation	(6)	18	761,163	4.7%	18,298	5.4%	4.3
Computer Sciences Corporation	(6)	4	454,645	2.8%	11,347	3.4%	4.2
L-3 Communications Holdings, Inc.	(6)	4	221,635	1.4%	8,844	2.6%	6.7
Unisys Corporation	(7)	4	760,145	4.7%	8,665	2.6%	2.5
General Dynamics Corporation		9	278,239	1.7%	7,160	2.1%	2.9
Wachovia Corporation	(6)	5	189,478	1.2%	6,745	2.0%	11.2
The Aerospace Corporation		2	221,785	1.4%	6,433	1.9%	7.7
AT&T Corporation	(6)	9	337,052	2.1%	5,852	1.7%	5.2
Comcast Corporation		8	278,589	1.7%	5,215	1.5%	4.7
The Boeing Company	(6)	4	143,480	0.9%	4,071	1.2%	2.7
Ciena Corporation		3	221,609	1.4%	3,657	1.1%	4.9
Science Applications International Corp.		12	170,839	1.1%	3,244	1.0%	0.7
Lockheed Martin Corporation		6	163,685	1.0%	3,048	0.9%	2.3
Magellan Health Services, Inc.		3	142,199	0.9%	2,944	0.9%	3.7
BAE Systems PLC	(6)	7	212,339	1.3%	2,815	0.8%	3.7
Merck & Co., Inc. (Unisys)	(7)	2	227,273	1.4%	2,621	0.8%	2.2
The Johns Hopkins University		4	115,854	0.7%	2,478	0.7%	8.7
Wyle Laboratories, Inc.		4	174,792	1.1%	2,427	0.7%	5.3
Subtotal Top 20 Office Tenants		164	8,067,530	49.9%	175,601	51.9%	5.5
All remaining tenants		764	8,110,202	50.1%	162,965	48.1%	4.1
Total/Weighted Average		<u>928</u>	<u>16,177,732</u>	<u>100.0%</u>	<u>\$ 338,567</u>	<u>100.0%</u>	<u>4.8</u>

- (1) Table excludes owner occupied leasing activity which represents 146,604 square feet with a weighted average remaining lease term of 5.8 years as of March 31, 2007.
- (2) Total Annualized Rental Revenue is the monthly contractual base rent as of March 31, 2007, multiplied by 12, plus the estimated annualized expense reimbursements under existing office leases.
- (3) Order of tenants is based on Annualized Rent.
- (4) The weighting of the lease term was computed using Total Rental Revenue.
- (5) 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.
- (6) Includes affiliated organizations or agencies.
- (7) Merck & Co., Inc. subleases 219,065 rentable square feet from Unisys' 960,349 leased rentable square feet in our Greater Philadelphia region.

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

	2007		2006		
	March 31	December 31	September 30	June 30	March 31
Office Properties:					
Baltimore/Washington Corridor	\$ 43,837	\$ 40,093	\$ 38,347	\$ 34,797	\$ 34,393
Northern Virginia	17,172	15,400	16,746	15,796	15,573
Northern/Central New Jersey	1,786	4,698	2,317	2,386	2,893
Greater Philadelphia	2,506	2,506	2,506	2,506	2,506
Greater Harrisburg	—	—	—	—	(6)
St. Mary's and King George Counties	3,098	3,083	2,979	3,037	2,988
Suburban Maryland	3,967	3,864	4,114	3,785	3,553
Suburban Baltimore	13,081	6,415	7,569	7,230	7,357
San Antonio	1,781	2,046	1,787	1,797	1,810
Colorado Springs	3,594	3,364	3,158	1,963	1,289
Subtotal	90,822	81,469	79,523	73,297	72,356
Eliminations / other	(427)	8	(465)	(219)	(177)
Combined Real Estate Revenue	\$ 90,395	\$ 81,477	\$ 79,058	\$ 73,078	\$ 72,179

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

	2007		2006		
	March 31	December 31	September 30	June 30	March 31
Office Properties:					
Baltimore/Washington Corridor	\$ 29,310	\$ 27,532	\$ 25,745	\$ 24,662	\$ 24,024
Northern Virginia	10,844	9,535	11,179	9,992	10,083
Northern/Central New Jersey	1,088	4,064	1,449	1,563	1,908
Greater Philadelphia	2,473	2,461	2,464	2,465	2,466
Greater Harrisburg	—	—	—	(1)	44
St. Mary's and King George Counties	2,326	2,218	2,123	2,333	2,297
Suburban Maryland	2,304	2,333	2,516	2,520	2,236
Suburban Baltimore	7,310	3,387	4,480	4,298	4,517
San Antonio	1,421	1,476	1,477	1,478	1,477

Colorado Springs	2,315	2,020	1,949	1,347	798
Subtotal	59,391	55,026	53,382	50,657	49,850
Eliminations / other	(1,020)	610	(51)	23	262
Combined NOI	\$ 58,371	\$ 55,636	\$ 53,331	\$ 50,680	\$ 50,112

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

	2007		2006		
	March 31	December 31	September 30	June 30	March 31
Office Properties:(1)					
Baltimore/Washington Corridor	\$ 24,363	\$ 23,667	\$ 22,308	\$ 23,375	\$ 23,110
Northern Virginia	9,674	8,443	10,385	8,954	9,079
Northern/Central New Jersey	525	622	682	651	701
Greater Philadelphia	2,640	2,628	2,633	2,580	2,581
Suburban Maryland	2,096	2,170	2,275	2,160	1,989
St. Mary's and King George Counties	2,318	2,180	2,113	2,337	2,298
Suburban Baltimore	2,656	3,143	3,774	3,396	3,613
San Antonio	1,136	1,133	1,101	1,104	1,100
Colorado Springs	885	815	930	763	757
Total Office Properties	\$ 46,293	\$ 44,801	\$ 46,202	\$ 45,321	\$ 45,228

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

	2007		2006		
	March 31	December 31	September 30	June 30	March 31
Office Properties:(1)					
Baltimore/Washington Corridor	\$ 24,642	\$ 24,180	\$ 23,137	\$ 23,986	\$ 23,775
Northern Virginia	10,254	9,046	10,896	9,619	9,837
Northern/Central New Jersey	663	738	798	767	817
Greater Philadelphia	2,475	2,463	2,468	2,467	2,468
Suburban Maryland	2,302	2,353	2,506	2,533	2,172
St. Mary's and King George Counties	2,294	2,163	2,099	2,324	2,288
Suburban Baltimore	2,932	3,381	4,038	3,679	3,919
San Antonio	1,486	1,482	1,484	1,487	1,482
Colorado Springs	932	872	980	824	826
Total Office Properties	\$ 47,980	\$ 46,677	\$ 48,406	\$ 47,686	\$ 47,583

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

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

	Baltimore / Washington Corridor	Northern Virginia	Northern / Central New Jersey	Greater Philadelphia	Suburban Maryland	Suburban Baltimore	St.Mary's and King George Counties	Colorado Springs	San Antonio	Total Office
1st Quarter 2007 Average										
Number of Buildings	82	13	5	4	6	23	17	5	2	157
Rentable Square Feet	5,973,544	2,242,539	274,929	960,349	754,450	1,424,674	764,681	316,577	468,994	13,180,737
Percent Occupied	94.29%	97.48%	94.94%	100.00%	91.32%	82.85%	96.52%	94.63%	100.00%	94.20%
4th Quarter 2006 Average										
Number of Buildings	82	13	5	4	6	23	17	5	2	157
Rentable Square Feet	5,970,363	2,242,503	274,929	960,349	754,377	1,425,466	764,681	316,577	468,994	13,178,239
Percent Occupied	94.68%	93.43%	95.72%	100.00%	80.51%	83.91%	96.52%	92.67%	100.00%	93.15%
3rd Quarter 2006 Average										
Number of Buildings	82	13	5	4	6	23	17	5	2	157
Rentable Square Feet	5,970,277	2,242,503	274,929	960,349	760,636	1,424,950	764,681	316,577	468,994	13,183,896
Percent Occupied	94.57%	95.28%	95.72%	100.00%	79.06%	85.58%	96.43%	91.41%	100.00%	93.47%
2nd Quarter 2006 Average										

Number of Buildings	82	13	5	4	6	23	17	5	2	157
Rentable Square Feet	5,970,193	2,242,503	274,929	960,349	760,355	1,420,759	764,681	316,577	468,994	13,182,967
Percent Occupied	95.57%	94.14%	98.22%	100.00%	78.27%	85.71%	96.93%	87.07%	100.00%	93.67%
1st Quarter 2006 Average										
Number of Buildings	82	13	5	4	6	23	17	5	2	157
Rentable Square Feet	5,970,201	2,242,668	274,929	960,349	760,355	1,420,759	764,681	316,577	468,994	13,179,513
Percent Occupied	95.37%	95.55%	100.00%	100.00%	77.65%	87.49%	97.01%	84.01%	100.00%	93.95%

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

27

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	56	553,824	3.4%	\$ 10,338	3.1%	\$ 18.67
July - September	47	432,882	2.7%	9,467	2.8%	21.87
October - December	43	675,757	4.2%	13,541	4.0%	20.04
Total 2007	146	1,662,463	10.3%	\$ 33,347	9.8%	\$ 20.06
2008	159	1,632,736	10.1%	33,917	10.0%	20.77
2009	171	3,139,903	19.4%	52,897	15.6%	16.85
2010	143	2,018,819	12.5%	45,990	13.6%	22.78
2011	121	1,517,757	9.4%	29,703	8.8%	19.57
2012	72	1,538,039	9.5%	32,565	9.6%	21.17
2013	22	893,674	5.5%	20,531	6.1%	22.97
2014	18	651,462	4.0%	18,645	5.5%	28.62
2015	25	1,282,588	7.9%	29,955	8.8%	23.36
2016	18	482,966	3.0%	12,055	3.6%	24.96
2017	9	412,910	2.6%	10,573	3.1%	25.61
2018	4	331,115	2.0%	8,355	2.5%	25.23
2019	—	—	0.0%	—	0.0%	0.00
2020	—	—	0.0%	—	0.0%	0.00
2021	1	104,695	0.6%	2,349	0.7%	22.44
2022	—	—	0.0%	—	0.0%	0.00
2023	—	—	0.0%	—	0.0%	0.00
2024	—	—	0.0%	—	0.0%	0.00
2025	2	468,994	2.9%	7,094	2.1%	15.13
Other (3)	17	39,611	0.2%	591	0.2%	14.92
Total / Average	928	16,177,732	100.0%	\$ 338,567	100.0%	\$ 20.93

NOTE: As of March 31, 2007, the weighted average lease term for the wholly owned properties is 4.8 years.

- 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.
- Total Annualized Rental Revenue is the monthly contractual base rent as of March 31, 2007 multiplied by 12 plus the estimated annualized expense reimbursements under existing office leases.
- Other consists primarily of amenities, including cafeterias, concierge offices and property management space. In addition, month-to-month leases and leases which have expired but the tenant remains in holdover are included in this line as the exact expiration date is unknown.

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Quarterly Office Renewal Analysis for Wholly Owned Properties as of March 31, 2007

Baltimore/ Washington Corridor	Northern Virginia	Northern/ Central New Jersey	Suburban Maryland	Suburban Baltimore	St. Mary's and King George Counties	Colorado Springs	Total Office
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Quarter Ended March 31, 2007:

Expiring Square Feet	474,069	34,185	6,412	—	246,244	30,434	—	791,344
Vacated Square Feet	86,950	20,674	6,412	—	106,537	—	—	220,573
Renewed Square Feet	387,119	13,511	—	—	139,707	30,434	—	570,771
Retention Rate (% based upon square feet)	81.66%	39.52%	0.00%	0.00%	56.74%	100.00%	0.00%	72.13%

Renewed Space Only:

Average Committed Cost per Square Foot	\$ 9.52	\$ 8.18	\$ —	\$ —	\$ 5.44	\$ —	\$ —	\$ 7.98
Weighted Average Lease Term in years	4.6	3.1	—	—	3.0	2.3	—	4.1
Change in Total Rent - GAAP	12.62%	3.57%	0.00%	0.00%	4.75%	5.09%	0.00%	10.14%
Change in Total Rent - Cash	5.73%	-5.03%	0.00%	0.00%	-2.32%	-0.63%	0.00%	3.14%

Renewed & Retenanted Space:

Average Committed Cost per Square Foot	\$ 11.72	\$ 9.57	\$ —	\$ —	\$ 8.43	\$ 0.85	\$ 11.28	\$ 10.06
Weighted Average Lease Term in years	5.0	4.3	—	—	4.1	2.5	3.6	4.6
Change in Total Rent - GAAP	9.51%	6.55%	0.00%	0.00%	3.48%	3.81%	4.37%	7.41%
Change in Total Rent - Cash	2.69%	-3.48%	0.00%	0.00%	-1.25%	-2.44%	2.35%	1.09%

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

Year to Date Wholly Owned Acquisition Summary as of March 31, 2007 (1)
(Dollars in thousands)

	Submarket	Acquisition Date	Building Count	Square Feet	Occupancy Percentage at Acquisition	Contractual Purchase Price (2)	Investment (2)(3)
Nottingham Portfolio	BWI Airport	1/9-1/10/07	1	59,397	76.8%	\$8,910	\$9,227
Nottingham Portfolio	Howard Co. Perimeter	1/9-1/10/07	12	380,416	87.8%	57,983	59,635
Nottingham Portfolio	Hunt Valley/Rte 83 Corridor	1/9-1/10/07	3	91,378	93.9%	12,904	13,633
Nottingham Portfolio	Towson	1/9-1/10/07	4	177,567 (4)	90.7%	25,485	26,199
Nottingham Portfolio	White Marsh	1/9-1/10/07	36	1,642,933	84.5%	219,718	220,347
Total			56	2,351,691		\$325,000	\$329,041

- (1) Excludes land only acquisitions.
(2) Contractual purchase price and investment balances exclude value assigned to development land.
(3) Initial accounting investment recorded by property.
(4) Excludes approximately 160,000 square foot parking garage although garage purchase price is included in purchase price and investment columns.

Development Summary as of March 31, 2007
(Dollars in thousands)

Property and Locations	Submarket	Wholly Owned or Joint Venture (JV)	Total Rentable Square Feet	Percentage Leased	Anticipated Total Cost	Cost to date	Outstanding Loan as of 3/31/2007	Anticipated Date of Operations
Under Construction								
Meadowville Road Richmond, Virginia	(1) Richmond Southwest	Owned	193,000	100.00%	\$56,012	\$46,824	\$19,495	3Q 07
5522 Research Park Drive (UMBC) Baltimore, Maryland	BWI Airport	Land Lease	23,500	100.00%	4,776	2,418	—	3Q 07
6711 Columbia Gateway Drive Columbia, Maryland	(2) (3) Howard Co Perimeter	Owned	125,000	69.70%	26,114	25,676	14,536	3Q 07
1362 Mellon Road (Lot 6B) Hanover, Maryland	(4) BWI Airport	JV	44,134	0.00%	8,590	7,446	4,598	3Q 07

201 Technology Park Drive Lebanon, Virginia		Southwest Virginia	Owned	102,842	100.00%	30,649	7,813	—	4Q 07
1055 North Newport Road Colorado Springs, Colorado		Colorado Springs East	Owned	59,763	100.00%	11,676	1,935	—	1Q 08
320 Sentinel Drive (320 NBP) Annapolis Junction, Maryland	(5)	BWI Airport	Owned	125,681	100.00%	23,741	20,614	16,799	1Q 08
302 Sentinel Drive (302 NBP) Annapolis Junction, Maryland	(6)	BWI Airport	Owned	157,146	51.33%	32,241	25,209	17,211	2Q 08
655 Space Center Drive Colorado Springs, Colorado		Colorado Springs East	Owned	103,900	0.00%	18,257	1,828	—	3Q 08
Total Under Construction				934,966	71.94%	\$212,056	\$139,764	\$72,639	

(1) Total loan commitment is \$44.0 million.

(2) Total loan commitment is \$19.5 million.

(3) Although classified as "Under Construction", 68,196 square feet are operational.

(4) Total loan commitment is \$6.2 million.

(5) Total loan commitment is \$21.0 million.

(6) Total loan commitment is \$27.0 million.

Development Summary as of March 31, 2007 (continued)
(Dollars in thousands)

<u>Property and Location</u>	<u>Submarket</u>	<u>Wholly Owned or Joint Venture (JV)</u>	<u>Total Rentable Square Feet</u>	<u>Percentage Leased</u>	<u>Anticipated Total Cost</u>	<u>Cost to date</u>	<u>Outstanding Loan as of 3/31/2007</u>	<u>Anticipated Date of Operations</u>
Redevelopment								
9965 Federal Drive Colorado Springs, Colorado	I-25 North Corridor	Owned	74,749	100.00%	\$ 7,312	\$ 5,065	\$ —	2007
940 Elkridge Landing Road (AS 7) Linthicum, Maryland	(1) BWI Airport	Owned	53,941	100.00%	4,550	720	—	2007
2900 Towerview Road Herndon, Virginia	(2) Route 28 South	JV	139,877	55.89%	24,241	17,200	—	2007
7468 Candlewood Road Hanover, Maryland	BWI Airport	JV	471,587	0.00%	52,521	21,584	—	2008
Total Redevelopment			740,154	27.95%	\$ 88,624	\$ 44,569	\$ —	
Under Development								
5520 Research Park Drive (UMBC) Baltimore, Maryland	BWI Airport	Land Lease	110,000	0.00%	\$ 23,321	\$ 1,466	\$ —	2008
Rockville Corporate Center Rockville, Maryland	Rockville	Owned	110,000	0.00%	23,599	853	—	2008
7740 Milestone Parkway Hanover, Maryland	BWI Airport	Under Contract/ JV	151,800	0.00%	35,639	4,648	—	2008
6721 Columbia Gateway Drive Columbia, Maryland	Howard Co. Perimeter	Owned	131,550	0.00%	24,283	7,253	—	2008
Riverwood I & II Columbia, Maryland	Howard Co. Perimeter	Owned	70,000	0.00%	14,703	1,621	—	2008
Interquest South Bldg I & II Colorado Springs, Colorado	(3) I-25 North Corridor	JV	128,000	0.00%	23,808	991	—	2008
300 Sentinel Drive (300 NBP) Annapolis Junction, Maryland	BWI Airport	Owned	190,000	0.00%	42,238	7,147	—	2008
316 Sentinel Drive (316 NBP) Annapolis Junction, Maryland	BWI Airport	Owned	125,000	0.00%	25,333	2,782	—	2008
16444 Commerce Drive Dahlgren, Virginia	King George County	Owned	50,000	0.00%	10,349	580	—	2008
8130 Corporate Drive White Marsh, Maryland	White Marsh	Owned	125,000	0.00%	20,610	2,056	—	2009
110 Thomas Johnson Drive (Bldg #2) Frederick, Maryland	Frederick	Owned	85,000	0.00%	16,162	1,552	—	2009
Total Under Development			1,276,350	0.00%	\$ 260,045	\$ 30,949	\$ —	

- (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 are operational.
- (3) We purchased the remaining 50% interest in this joint venture on April 6, 2007 for \$14.0 million.

Land Inventory as of March 31, 2007

Location	Submarket	Status	Non-Wholly Owned		Wholly Owned	
			Acres	Developable Square Feet	Acres	Developable Square Feet
Westfields Corporate Center	Dulles South	owned	—	—	19	246,800
Westfields Corporate Center	Dulles South	owned	—	—	17	377,300
Westfields Corporate Center	Dulles South	owned	—	—	32	674,200
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 (Phase II)	BWI Airport	owned	—	—	19	627,500
National Business Park (Phase III)	BWI Airport	owned	—	—	204	1,250,000
National Business Park (Phase III)	BWI Airport	option	5	—	—	—
1243 Winterson Road (AS 22)	BWI Airport	owned	—	—	2	30,000
Arundel Preserve	BWI Airport	under contract/ JV	56	up to 1,648,000	—	—
1460 Dorsey Road	BWI Airport	owned	—	—	6	60,000
Columbia Gateway Parcel T-11	Howard Co. Perimeter	owned	—	—	14	220,000
7125 Columbia Gateway Drive	Howard Co. Perimeter	owned	—	—	5	120,000
Total Baltimore / Washington Corridor			61	1,648,000	250	2,307,500
White Marsh	White Marsh	owned	—	—	168	1,692,000
10521 Red Run Boulevard	Owings Mills	owned	—	—	12	190,000
37 Allegheny Avenue	Towson	owned	—	—	0.3	40,000
Total Suburban Baltimore			—	—	180	1,922,000
110 Thomas Johnson Drive	Frederick	owned	—	—	3	85,000
Rockville Corporate Center	Rockville	owned	—	—	5	110,000
Total Suburban Maryland			—	—	8	195,000
Unisys Campus	Blue Bell	owned	—	—	45	600,000
Total Greater Philadelphia			—	—	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
Interquest(1)	I-25 North Corridor	50% interest	122	1,622,000	—	—
9965 Federal Drive	I-25 North Corridor	owned	—	—	4	30,000
Patriot Park	Colorado Springs East	owned	—	—	72	860,000
Aerotech Commerce	Colorado Springs East	owned	—	—	7	90,000
Total Colorado Springs			122	1,622,000	83	980,000
San Antonio	San Antonio	owned	—	—	27	350,000
San Antonio	San Antonio	owned	—	—	31	375,000
Total San Antonio			—	—	58	725,000
Indian Head	Charles County, MD	JV- 75% ownership	153	677,250	—	—
Fort Ritchie(2)	Cascade, MD	owned	—	—	500	1,700,000
Total Other			153	677,250	500	1,700,000
TOTAL			340	4,002,250	1,254	10,327,800

This land inventory schedule excludes all properties listed as under construction, redevelopment or under development as detailed on pages 31 and 32.

- (1) We purchased the remaining 50% interest in this joint venture on April 6, 2007 for \$14.0 million.
- (2) The Fort Ritchie acquisition includes 306,038 square feet of existing office space, targeted for future redevelopment, and 110 existing usable residential units.

Joint Venture Summary as of March 31, 2007
(Dollars in thousands)

Consolidated Properties

Property and Location	Interest Held By COPT	Status	Square Feet	Acreage	Total Assets	Consolidated Debt as of 3/31/07	Recourse to COPT	Acquire Partner's Interest
4230 Forbes Boulevard Lanham, Maryland	50%	Operating	55,866	5 acres	\$ 4,074	\$ 3,685	Yes, up to \$4.5 million	Yes
7468 Candlewood Road(1) Hanover, Maryland	92.5%	Redevelopment	471,587	19 acres	25,740	—	N/A	Yes
2900 Towerview Road Herndon, Virginia	92.5%	Operating/ Redevelopment	139,877	12 acres	19,348	—	N/A	Yes
1362 Mellon Road (Lot 6B) Hanover, Maryland	50%	Construction	44,134	3 acres	7,466	4,598	Yes, up to \$6.2 million	Yes
TOTAL					\$ 56,628	\$ 8,284		

Unconsolidated Properties

Property and Location	Joint Venture Interest Held By COPT	Status	Square Feet	COPT Investment	Off-Balance Sheet Debt as of 3/31/07	Recourse to COPT	Option to Acquire Partner's Interest
Greater Harrisburg Portfolio Harrisburg and Mechanicsburg, Pennsylvania	20%	Operating	671,759	\$(3,797)	\$66,600	No	No

(1) The 7468 Candlewood Road project consists of 471,587 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)

	2007		2006		
	March 31	December 31	September 30	June 30	March 31
Total Assets or Denominator for Debt to Total Assets	\$ 2,814,723	\$ 2,419,601	\$ 2,355,922	\$ 2,309,118	\$ 2,142,875
Accumulated depreciation	236,650	219,574	205,529	197,395	183,920
Intangible assets on real estate acquisitions, net	131,934	87,325	92,061	100,132	85,699
Assets other than assets included in investment in real estate	(340,546)	(308,291)	(300,236)	(243,601)	(242,036)
Denominator for Debt to Undepreciated Book Value of Real Estate Assets	\$ 2,842,761	\$ 2,418,209	\$ 2,353,276	\$ 2,363,045	\$ 2,170,458
GAAP Revenues from Real Estate Operations	\$ 89,675	\$ 77,818	\$ 77,209	\$ 70,769	\$ 69,222
Revenues from discontinued operations	720	3,659	1,849	2,309	2,957
Combined Real Estate Revenues	\$ 90,395	\$ 81,477	\$ 79,058	\$ 73,078	\$ 72,179
GAAP Revenues from Real Estate Operations	\$ 89,675	\$ 77,818	\$ 77,209	\$ 70,769	\$ 69,222
Property operating	(31,748)	(25,545)	(25,096)	(21,640)	(21,061)
Revenues from discontinued operations	720	3,659	1,849	2,309	2,957
Property operating from discontinued operations	(276)	(296)	(631)	(758)	(1,006)
Combined Net Operating Income	\$ 58,371	\$ 55,636	\$ 53,331	\$ 50,680	\$ 50,112
GAAP Net Operating Income for Same Office Properties	\$ 47,980	\$ 46,677	\$ 48,406	\$ 47,686	\$ 47,583
Less: Straight line rent adjustments	(1,384)	(1,575)	(2,225)	(2,065)	(1,976)
Less: Amortization of deferred market rental revenue	(303)	(300)	21	(300)	(379)
Cash Net Operating Income for Same Office Properties	\$ 46,293	\$ 44,801	\$ 46,202	\$ 45,321	\$ 45,228
Depreciation and amortization	\$ 26,569	\$ 19,984	\$ 21,584	\$ 18,095	\$ 18,672
Depreciation of furniture, fixtures and equipment	(326)	(313)	(601)	(260)	(269)
Depreciation and amortization from discontinued operations	57	97	322	655	665
Combined real estate related depreciation and other amortization	\$ 26,300	\$ 19,768	\$ 21,305	\$ 18,490	\$ 19,068
Total tenant improvements and incentives on operating properties	\$ 6,517	\$ 9,907	\$ 4,552	\$ 3,317	\$ 2,873
Total capital improvements on operating properties	1,581	3,844	2,276	2,536	3,123
Total leasing costs for operating properties	2,979	2,827	3,416	1,421	946
Less: Nonrecurring tenant improvements and incentives on operating properties	(5,858)	(7,489)	(3,340)	(1,752)	(1,281)
Less: Nonrecurring capital improvements on operating properties	(408)	(1,364)	(467)	(1,068)	(2,519)
Less: Nonrecurring leasing costs for operating properties	(1,698)	(2,171)	(2,783)	(1,076)	(358)
Add: Recurring improvements on operating properties held through joint ventures	28	833	236	47	24
Recurring capital expenditures	\$ 3,141	\$ 6,387	\$ 3,890	\$ 3,425	\$ 2,808
Interest expense from continuing operations	\$ 19,876	\$ 18,716	\$ 17,793	\$ 17,132	\$ 17,029
Interest expense from discontinued operations	388	169	391	504	686
Combined interest expense or denominator for interest coverage	\$ 20,264	\$ 18,885	\$ 18,184	\$ 17,636	\$ 17,715
Scheduled principal amortization	7,685	3,834	3,822	4,101	7,559
Denominator for Debt Service Coverage	\$ 27,949	\$ 22,719	\$ 22,006	\$ 21,737	\$ 25,274
Scheduled principal amortization	(7,685)	(3,834)	(3,822)	(4,101)	(7,559)
Preferred dividends - redeemable non-convertible	3,993	3,790	4,307	3,653	3,654

Preferred distributions		165		165		165		165		165
Denominator for Fixed Charge Coverage	\$	24,422	\$	22,840	\$	22,656	\$	21,454	\$	21,534
Common dividends for Earnings Payout Ratio	\$	14,529	\$	13,292	\$	13,265	\$	11,853	\$	11,257
Common distributions		2,554		2,622		2,643		2,357		2,374
Dividends and distributions for FFO and AFFO Payout Ratio	\$	17,083	\$	15,914	\$	15,908	\$	14,210	\$	13,631
Amortization of deferred financing costs from continuing operations	\$	884	\$	949	\$	736	\$	606	\$	556
Amortization of deferred financing costs from discontinued operations		—		—		128		3		3
Combined amortization of deferred financing costs	\$	884	\$	949	\$	864	\$	609	\$	559