
**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) **October 27, 2010**

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))
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Item 2.02. Results of Operations and Financial Condition

On October 27, 2010, the Registrant issued a press release relating to its financial results for the three and nine months ended September 30, 2010 and, in connection with this release, is making available certain supplemental information pertaining to its properties and operations as of and for the periods ended September 30, 2010. A copy of the press release is included as Exhibit 99.1 to this report, and the supplemental information is included as Exhibit 99.2 to this report, both of which are 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.

Funds from operations ("FFO")

Funds from operations ("FFO") is defined as net income computed using GAAP, excluding gains on sales of operating real estate, plus real estate-related depreciation and amortization. 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 and, accordingly, our presentation of FFO may differ from those of other REITs. The Registrant 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

Basic FFO available to common share and common unit holders ("Basic FFO")

This measure is FFO adjusted to subtract (1) preferred share dividends, (2) income attributable to noncontrolling interests through ownership of preferred units in Corporate Office Properties, L.P. (the "Operating Partnership") or interests in other consolidated entities not owned by the Registrant, (3) depreciation and amortization allocable to noncontrolling interests in other consolidated entities, (4) Basic FFO allocable to restricted shares and (5) issuance costs associated with redeemed preferred shares. With these adjustments, Basic FFO represents FFO available to common shareholders and holders of common units in the Operating Partnership ("common units"). Common units are substantially similar to common shares of beneficial interest in the Registrant ("common shares") and are exchangeable into common shares, subject to certain conditions. The Registrant believes that Basic FFO is useful to investors due to the close correlation of common units to common shares. The Registrant believes that net income is the most directly comparable GAAP measure to Basic FFO. Basic FFO has essentially the same limitations as FFO; management compensates for these limitations in essentially the same manner as described above for FFO.

Diluted FFO available to common share and common unit holders ("Diluted FFO")

Diluted FFO is Basic FFO adjusted to add back any changes in Basic FFO that would result from the assumed conversion of securities that are convertible or exchangeable into common shares. The computation of Diluted FFO assumes the conversion of common units in the Operating Partnership but does not assume the conversion of other 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, discussed below. The Registrant believes that the numerator to diluted EPS is the most directly comparable GAAP measure to Diluted FFO. Since Diluted FFO excludes certain items includable in the numerator to diluted EPS, reliance on the measure has limitations; management compensates for these limitations by using the measure simply as a supplemental measure that is weighed in the balance with other GAAP and non-GAAP measures. Diluted FFO is not necessarily an indication of the Registrant's cash flow available to fund cash needs. Additionally, it should not be used as an alternative to net income when evaluating the Registrant's financial performance or to cash flow from operating, investing and financing activities when evaluating the Registrant's liquidity or ability to make cash distributions or pay debt service. The Diluted FFO presented by the Registrant may not be comparable to the Diluted FFO presented by other REITs.

Diluted FFO per share

Diluted FFO per share is (1) Diluted FFO 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. The computation of Diluted FFO per share assumes the conversion of common units in the Operating Partnership but does not assume the conversion of other 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 the Registrant's FFO results in the same manner that investors use earnings per share ("EPS") 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 that 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 above); management compensates for these limitations in essentially the same manner as described below for Diluted FFO.

Diluted FFO available to common share and common unit holders, excluding operating property acquisition costs

This measure is defined as Diluted FFO adjusted to exclude operating property acquisition costs. The Registrant believes that operating property acquisition costs are not reflective of normal operations and, as a result, believes that a measure that excludes this item is a useful supplemental measure in evaluating operating performance. The Registrant believes that the numerator to diluted EPS is the most directly comparable GAAP measure to this non-GAAP measure. This measure has essentially the same limitations as Diluted FFO, as well as the further limitation of not reflecting operating property acquisition costs in accordance with GAAP; management compensates for these limitations in essentially the same manner as described above for Diluted FFO.

Diluted FFO per share, excluding operating property acquisition costs

This measure is defined as (1) Diluted FFO available to common share and common unit holders, excluding operating property acquisition costs 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. The computation of this measure assumes the conversion of common units in the Operating Partnership but does not assume the conversion of other securities that are convertible into common shares if the conversion of those securities would increase the per share measure in a given period. As discussed above, the Registrant believes that operating property acquisition costs are not indicative of normal operations. As such, the Registrant believes that a measure that excludes this item 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 operating property acquisition costs; management compensates for these limitations in essentially the same manner as described above for Diluted FFO.

Diluted adjusted funds from operations available to common share and common unit holders ("Diluted AFFO")

Diluted AFFO is Diluted FFO adjusted for the following: (1) the elimination of the effect of (a) noncash rental revenues and property operating expenses (comprised of straight-line rental adjustments, which includes the amortization of recurring tenant incentives, and amortization of acquisition intangibles included in FFO and NOI, both of which are described under "Cash NOI" below), (b) amortization of the discount on the Registrant's Exchangeable Senior Notes, net of amounts capitalized, (c) operating property acquisition costs and (d) 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 tenant improvements and incentives, capital improvements and leasing costs for 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.

Real estate revenues from continuing and discontinued operations

This measure is total revenues from real estate operations, including rental revenue and tenant recoveries and other revenue from both continuing and 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 revenues from real estate operations from continuing operations is the most directly comparable GAAP measure to this measure. The measure 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.

Net operating income ("NOI")

NOI is real estate revenues from continuing and discontinued operations 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 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 that is unaffected by depreciation,

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amortization, 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 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.

Cash net operating income ("Cash NOI")

Cash NOI is NOI (defined above) adjusted to eliminate the effects of noncash rental revenues and property operating expenses (comprised of straight-line rental adjustments, which includes the amortization of recurring tenant incentives, and amortization of acquisition intangibles included in FFO and NOI). 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, the Registrant allocates the acquisition to certain intangible components (including above- and below-market leases and in-place real estate tax credits), which are then amortized into FFO and NOI over their estimated lives.

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 NOI for the above stated items that are not associated with cash to the Registrant. As is the case with 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. 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.

Cash NOI, excluding gross lease termination fees

This measure is Cash NOI (defined above) adjusted to eliminate the effects of lease termination fees paid by tenants to terminate their lease obligations prior to the end of the agreed lease terms. Lease termination fees are often recognized as revenue in large one-time lump sum amounts upon the termination of tenant leases. The Registrant believes that Cash NOI adjusted for lease termination fees is a useful supplemental measure of operating performance in evaluating same-office property groupings because it provides a means of evaluating the effect that lease terminations had on the performance of the property groupings. The Registrant believes that net income is the most directly comparable GAAP measure to Cash NOI, excluding gross lease termination fees. The measure has essentially the same limitations as Cash NOI as well as the further limitation of not reflecting the effect of lease termination fees in accordance with GAAP. 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.

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

EBITDA is net income adjusted for the effects of interest expense, depreciation and amortization and income taxes. The Registrant believes that EBITDA is a useful supplemental measure of

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performance for assessing its un-levered performance. 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.

NOI Interest Coverage Ratio and EBITDA Interest Coverage Ratio

These measures divide either NOI or EBITDA by interest expense on continuing and discontinued operations (excluding amortization of deferred financing costs and amortization of the discount on the Registrant's Exchangeable Senior Notes, net of amounts capitalized).

NOI Debt Service Coverage Ratio and EBITDA Debt Service Coverage Ratio

These measures divide either NOI or EBITDA by the sum of interest expense on continuing and discontinued operations (excluding amortization of deferred financing costs and amortization of the discount on the Registrant's Exchangeable Senior Notes, net of amounts capitalized) and scheduled principal amortization on mortgage loans for continuing and discontinued operations.

NOI Fixed Charge Coverage Ratio and EBITDA Fixed Charge Coverage Ratio

These measures divide either NOI or EBITDA by the sum of (1) interest expense on continuing and discontinued operations (excluding amortization of deferred financing costs and amortization of the discount on the Registrant's Exchangeable Senior Notes, net of amounts capitalized), (2) dividends on preferred shares and (3) distributions on preferred units in the Operating Partnership not owned by the Registrant.

NOI as a Percentage of Real Estate Revenues from Continuing and Discontinued Operations and EBITDA as a Percentage of Real Estate Revenues from Continuing and Discontinued Operations

These measures divide either NOI or EBITDA by real estate revenues from continuing and discontinued operations.

General and Administrative Expenses as a Percentage of Real Estate Revenues from Continuing and Discontinued Operations or EBITDA

These measures divide general and administrative expenses by either real estate revenues from continuing and discontinued operations or EBITDA.

Recurring Capital Expenditures as a Percentage of NOI

This measure divides recurring capital expenditures by NOI.

Diluted FFO payout ratio, excluding operating property acquisition costs, and diluted AFFO payout ratio

These measures are defined as (1) the sum of (a) dividends on common shares and (b) distributions to holders of interests in the Operating Partnership and dividends on convertible preferred shares when such distributions and dividends are included in Diluted FFO, excluding operating property acquisition costs, and Diluted AFFO divided by (2) either Diluted FFO, excluding operating property acquisition costs, or Diluted AFFO.

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Dividend Coverage-Diluted FFO, excluding operating property acquisition costs, and Dividend Coverage-Diluted AFFO

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

Debt to Undepreciated Book Value of Real Estate Assets

This measure is defined as the carrying value of the Registrant's debt divided by total properties, net presented on the Registrant's consolidated balance sheet excluding the effect of accumulated depreciation incurred to date on such properties.

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>Exhibit Title</u>
99.1	Press release dated October 27, 2010 for Corporate Office Properties Trust
99.2	Supplemental information dated September 30, 2010 for Corporate Office Properties Trust

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SIGNATURES

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

Dated: October 27, 2010

CORPORATE OFFICE PROPERTIES TRUST

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

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EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Exhibit Title</u>
99.1	Press release dated October 27, 2010 for Corporate Office Properties Trust
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NEWS RELEASE

FOR IMMEDIATE RELEASE

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CORPORATE OFFICE PROPERTIES TRUST
REPORTS THIRD QUARTER 2010 RESULTS

COLUMBIA, MD October 27, 2010 — Corporate Office Properties Trust (COPT) (NYSE: OFC) announced today financial and operating results for the quarter ended September 30, 2010.

Highlights

- Funds from Operations (“FFO”) per diluted share for the third quarter 2010, excluding the effect of operating property acquisition costs, was \$.58 as compared to \$.60 for the third quarter 2009, a decrease of 3%. Including these costs, FFO per diluted share for the third quarter 2010 was \$.54. This decline was primarily a result of a \$5.6 million increase in interest expense. Net Operating Income (“NOI”) increased primarily due to development placed in service and acquisitions.
- Net income attributable to common shareholders for the third quarter 2010 was \$4.8 million or \$.08 of diluted earnings per share (“Diluted EPS”) as compared to \$10.4 million of net income available to common shareholders or \$.18 Diluted EPS for the third quarter 2009, a decrease of 56% per share.
- Diluted Adjusted Funds from Operations (“Diluted AFFO”) available to common share and common unit holders was \$29.5 million for the third quarter 2010 as compared to \$27.8 million for the third quarter 2009, an increase of 6%.
- 87.4% occupied and 88.7% leased for our wholly-owned portfolio as of September 30, 2010.
- 3% increase in same office property cash NOI excluding gross lease termination fees for the quarter ended September 30, 2010 as compared to the quarter ended September 30, 2009.
- 428,000 square feet renewed for a 54% renewal rate for the quarter ended September 30, 2010.
- 253,000 square feet of development space leased in the third quarter 2010 and 798,000 square feet of development space leased during the nine months ended September 30, 2010.
- 5.1% increase in quarterly common dividend from \$.3925 to \$.4125 per share.

“During the third quarter, we achieved significant progress in positioning the Company for future growth with a Super Core acquisition in a Washington, DC submarket and the establishment of a wholesale data center growth platform through the acquisition of Power Loft @ Innovation,” stated Randall M. Griffin, Chief Executive Officer, Corporate Office Properties Trust. “Despite the lingering effects of a recession that continues to pressure NOI, we were able to demonstrate steady development leasing and strong leasing on our overall portfolio,” he added.

Financial Ratios

Diluted FFO payout ratio for the nine months ended September 30, 2010, excluding the effect of operating property acquisition costs, was 73% as compared to 59% for the nine months ended September 30, 2009. Diluted AFFO payout ratio for the nine months ended September 30, 2010 was 93% as compared to 73% for the nine months ended September 30, 2009.

As of September 30, 2010, the Company had a total market capitalization of \$5.1 billion, with \$2.5 billion in debt outstanding, equating to a 49% debt to total market capitalization ratio.

For the third quarter 2010, the Company’s weighted average interest rate was 5.1% compared to 4.9% for the third quarter 2009. At September 30, 2010, the Company had 72% of its total debt subject to fixed interest rates.

For the third quarter 2010, the Company’s EBITDA to interest coverage ratio was 2.8x, and the EBITDA fixed charge coverage ratio was 2.4x.

Reconciliations of non-GAAP measures to the most directly comparable GAAP measures are included in the tables that follow the text of this press release.

Operating Results

At September 30, 2010, the Company’s wholly-owned portfolio of 249 office properties totaled 19.9 million square feet. The weighted average remaining lease term for the portfolio was 4.7 years and the average rental rate (including tenant reimbursements) was \$25.48 per square foot.

For the quarter ended September 30, 2010, 428,000 square feet was renewed, at an average committed cost of \$3.62 per square foot. Total rent on renewed space decreased 1% on a straight-line basis, as measured from the straight-line rent in effect preceding the renewal date, and decreased 9% on a cash basis. For renewed and retenant space of 524,000 square feet, total straight-line rent decreased 2% and total rent on a cash basis decreased 10%. The average committed cost for renewed and retenant space was \$7.92 per square foot.

Development Activity

At September 30, 2010, the Company had 2.8 million square feet under construction, development and redevelopment for a total projected cost of \$591.1 million.

The Company's land inventory (wholly-owned and joint venture) at September 30, 2010 totaled 2,314 acres that can support up to 21.9 million square feet of estimated development.

During the quarter, the Company placed into service 493,000 square feet located in five properties.

Acquisition Activity

The Company completed the following acquisitions during the quarter:

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- Acquired a 233,000 square foot wholesale data center known as Power Loft @ Innovation in Manassas, Virginia for \$115.5 million. The shell of the data center was completed in early 2010 and the property was 17% leased, long term, on the acquisition date to two tenants who have a combined initial critical load of 3 megawatts and further expansion rights of up to a combined 5 megawatts. The Company will complete the remaining development with an initial stabilization at 18 megawatts with additional development costs estimated at \$166 million. Full critical load of the property is expected to be up to 30 megawatts.
- Acquired 362,000 square feet in two Class A office buildings known as Maritime Plaza I and II in the Capitol Riverfront submarket of Washington, DC for approximately \$119 million. In connection with the acquisition, we assumed a \$70.1 million mortgage loan with a fixed interest rate of 5.35% that matures in March 2014. The buildings are subject to ground leases that expire August 2099 and November 2100. The buildings are 100% leased with over 50% of the space leased to investment grade tenants, of which most are Super Core tenants, such as Computer Sciences Corporation, General Dynamics and SAIC.

Disposition Activity

During the quarter, the Company sold two properties in Dayton, New Jersey totaling 201,000 square feet for \$20.9 million and recognized a gain of \$784,000. The Company also sold a contiguous land parcel for \$3 million and recognized a gain of \$2.5 million.

Earnings Guidance

The Company will discuss its updated 2010 diluted FFO per share guidance and its initial 2011 diluted FFO per share guidance on its earnings conference call.

Conference Call

The Company will hold an investor/analyst conference call:

Conference Call (within the United States)

Date: Thursday, October 28, 2010
Time: 11:00 a.m. Eastern Time
Telephone Number: 888-679-8018
Passcode: 55526047

Conference Call (outside the United States)

Date: Thursday, October 28, 2010
Time: 11:00 a.m. Eastern Time
Telephone Number: 617-213-4845
Passcode: 55526047

Please use the following link to pre-register and view important information about this conference call. Pre-registering is not mandatory but is recommended as it will provide you immediate entry

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into the call and will facilitate the timely start of the conference. Pre-registration only takes a few moments and you may pre-register at anytime, including up to and after the call start time. To pre-register, please click on the below link:
<https://www.theconferencingservice.com/prereg/key.process?key=P4J9NCBW8>

You may also pre-register in the Investor Relations section of the Company's website at www.copt.com. Alternatively, you may be placed into the call by an operator by calling the number provided above at least 5 to 10 minutes before the start of the call. A replay of this call will be available beginning Thursday, October 28 at 3:00 p.m. Eastern Time through Thursday, November 11 at midnight Eastern Time. To access the replay within in the United States, please call 888-286-8010 and use passcode 90157200. To access the replay outside the United States, please call 617-801-6888 and use passcode 90157200.

The conference calls will also be available via live webcast in the Investor Relations section of the Company's website at www.copt.com. A replay of the conference calls will be immediately available via webcast in the Investor Relations section of the Company's website.

Definitions

Please refer to our Form 8-K or our website (www.copt.com) for definitions of certain terms used in this press release. Reconciliations of non-GAAP measures to the most directly comparable GAAP measures are included in the attached tables.

Company Information

Corporate Office Properties Trust (COPT) (NYSE: OFC) is a specialty office real estate investment trust (REIT) that focuses on strategic customer relationships and specialized tenant requirements in the U.S. Government, Defense Information Technology and Data sectors. The Company acquires, develops, manages and leases office and data center properties which are typically concentrated in large office parks primarily located adjacent to government demand drivers and/or in growth corridors. As of September 30, 2010, the Company owned 269 office properties totaling 21.0 million rentable square feet, which includes 20 properties totaling 1.1 million square feet held through joint ventures. The Company's portfolio primarily consists of technically sophisticated buildings in visually appealing settings that are environmentally sensitive, sustainable and meet unique customer requirements. COPT is an S&P MidCap 400 company and more information can be found at www.copt.com.

Forward-Looking Information

This press release may contain "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 the Company's current expectations, estimates and projections about future events and financial trends affecting the Company. Forward-looking statements can be identified by the use of words such as "may", "will", "should", "could", "expect", "estimate" or other comparable terminology. Forward-looking statements are inherently subject to risks and uncertainties, many of which the Company cannot predict with accuracy and some of which the Company might not even anticipate. Accordingly, the Company 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:

- the Company's 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;

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- 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 the Company's joint venture partners may not fulfill their financial obligations as investors or may take actions that are inconsistent with the Company's objectives;
- changes in our plans for properties or our views of market economic conditions that could result in recognition of impairment losses;
- 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.

The Company undertakes no obligation to update or supplement any forward-looking statements. For further information, please refer to the Company's filings with the Securities and Exchange Commission, particularly the section entitled "Risk Factors" in Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2009.

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Corporate Office Properties Trust
Summary Financial Data
(unaudited)
(Amounts in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Revenues				
Real estate revenues	\$ 114,550	\$ 104,132	\$ 336,035	\$ 315,247
Construction contract and other service revenues	13,608	95,321	77,038	273,534
Total revenues	128,158	199,453	413,073	588,781
Expenses				
Property operating expenses	44,260	38,523	132,400	114,587
Depreciation and amortization associated with real estate operations	30,745	26,498	87,889	81,268
Construction contract and other service expenses	13,347	93,805	75,148	268,289
General and administrative expenses	6,079	5,898	17,905	17,275
Business development expenses	2,886	458	3,506	1,550
Total operating expenses	97,317	165,182	316,848	482,969
Operating income	30,841	34,271	96,225	105,812
Interest expense	(26,537)	(20,931)	(74,987)	(58,914)
Interest and other income	395	2,619	1,942	4,949
Income from continuing operations before equity in income (loss) of unconsolidated entities and income taxes	4,699	15,959	23,180	51,847
Equity in income (loss) of unconsolidated entities	648	(758)	371	(1,075)
Income tax expense	(27)	(47)	(75)	(169)
Income from continuing operations	5,320	15,154	23,476	50,603
Discontinued operations	1,129	382	2,447	1,150
Income before gain on sales of real estate	6,449	15,536	25,923	51,753
Gain on sales of real estate, net of income taxes	2,477	—	2,829	—
Net income	8,926	15,536	28,752	51,753
Less net income attributable to noncontrolling interests				
Common units in the Operating Partnership	(363)	(956)	(1,254)	(4,032)

Preferred units in the Operating Partnership	(165)	(165)	(495)	(495)
Other consolidated entities	434	40	233	15
Net income attributable to COPT	8,832	14,455	27,236	47,241
Preferred share dividends	(4,025)	(4,025)	(12,076)	(12,076)
Net income attributable to COPT common shareholders	<u>\$ 4,807</u>	<u>\$ 10,430</u>	<u>\$ 15,160</u>	<u>\$ 35,165</u>
Earnings per share "EPS" computation:				
Numerator for diluted EPS:				
Net income attributable to common shareholders	\$ 4,807	\$ 10,430	\$ 15,160	\$ 35,165
Amount allocable to restricted shares	(267)	(253)	(807)	(763)
Numerator for diluted EPS	<u>4,540</u>	<u>10,177</u>	<u>14,353</u>	<u>34,402</u>
Denominator:				
Weighted average common shares - basic	58,656	57,470	58,333	55,366
Dilutive effect of share-based compensation awards	296	485	367	506
Weighted average common shares - diluted	<u>58,952</u>	<u>57,955</u>	<u>58,700</u>	<u>55,872</u>
Diluted EPS	<u>\$ 0.08</u>	<u>\$ 0.18</u>	<u>\$ 0.24</u>	<u>\$ 0.62</u>

Corporate Office Properties Trust
Summary Financial Data
(unaudited)
(Amounts in thousands, except per share data and ratios)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Net income	\$ 8,926	\$ 15,536	\$ 28,752	\$ 51,753
Add: Real estate-related depreciation and amortization	30,745	26,712	87,896	81,911
Add: Depreciation and amortization on unconsolidated real estate entities	166	160	512	481
Less: Gain on sales of operating properties, net of income taxes	(784)	—	(1,081)	—
Funds from operations ("FFO")	39,053	42,408	116,079	134,145
Less: Noncontrolling interests - preferred units in the Operating Partnership	(165)	(165)	(495)	(495)
Less: Noncontrolling interests - other consolidated entities	434	40	233	15
Less: Preferred share dividends	(4,025)	(4,025)	(12,076)	(12,076)
Less: Depreciation and amortization allocable to noncontrolling interests in other consolidated entities	(666)	(91)	(1,245)	(251)
Less: Basic and diluted FFO allocable to restricted shares	(353)	(395)	(1,078)	(1,298)
Basic and diluted FFO available to common share and common unit holders ("Basic and diluted FFO")	34,278	37,772	101,418	120,040
Less: Straight-line rent adjustments	1,267	(2,665)	(2,552)	(5,523)
Less: Amortization of acquisition intangibles included in net operating income	(96)	(451)	(460)	(1,447)
Less: Recurring capital expenditures	(10,156)	(7,572)	(23,447)	(17,838)
Add: Amortization of discount on Exchangeable Senior Notes, net of amounts capitalized	1,541	762	3,811	2,183
Operating property acquisition costs	2,664	—	2,954	—
Diluted adjusted funds from operations available to common share and common unit holders ("Diluted AFFO")	<u>\$ 29,498</u>	<u>\$ 27,846</u>	<u>\$ 81,724</u>	<u>\$ 97,415</u>
Weighted average shares				
Weighted average common shares	58,656	57,470	58,333	55,366
Conversion of weighted average common units	4,453	5,084	4,674	5,932
Weighted average common shares/units - basic FFO per share	63,109	62,554	63,007	61,298
Dilutive effect of share-based compensation awards	296	485	367	506
Weighted average common shares/units - diluted FFO per share	<u>63,405</u>	<u>63,039</u>	<u>63,374</u>	<u>61,804</u>
Diluted FFO per share	\$ 0.54	\$ 0.60	\$ 1.60	\$ 1.94
Diluted FFO per share, excluding operating property acquisition costs	\$ 0.58	\$ 0.60	\$ 1.65	\$ 1.94
Dividends/distributions per common share/unit	\$ 0.4125	\$ 0.3925	\$ 1.1975	\$ 1.1375
Diluted FFO payout ratio, excluding operating property acquisition costs	71.3%	65.8%	73.2%	58.9%
Diluted AFFO payout ratio	89.3%	89.2%	93.4%	72.6%
EBITDA interest coverage ratio	2.85x	3.33x	2.88x	3.62x
EBITDA fixed charge coverage ratio	2.42x	2.74x	2.43x	2.93x
Reconciliation of denominators for diluted EPS and diluted FFO per share				
Denominator for diluted EPS	58,952	57,955	58,700	55,872
Weighted average common units	4,453	5,084	4,674	5,932
Denominator for diluted FFO per share	<u>63,405</u>	<u>63,039</u>	<u>63,374</u>	<u>61,804</u>

(Dollars and shares in thousands, except per share data)

	September 30, 2010	December 31, 2009
Balance Sheet Data (in thousands) (as of period end)		
Properties, net of accumulated depreciation	\$ 3,349,150	\$ 3,029,900
Total assets	3,737,372	3,380,022
Debt	2,468,419	2,053,841
Total liabilities	2,647,644	2,259,390
Beneficiaries' equity	1,089,728	1,120,632
Debt to total assets	66.0%	60.8%
Debt to undepreciated book value of real estate assets	62.5%	57.8%
Debt to total market capitalization	48.6%	44.6%

Property Data (wholly owned office properties) (as of period end)		
Number of operating properties owned	249	245
Total net rentable square feet owned (in thousands)	19,929	19,086
Occupancy	87.4%	90.8%

Reconciliation of denominator for debt to total assets to denominator for debt to undepreciated book value of real estate assets		
Denominator for debt to total assets	\$ 3,737,372	\$ 3,380,022
Assets other than assets included in properties, net	(388,222)	(350,122)
Accumulated depreciation on real estate assets	479,218	422,612
Intangible assets on real estate acquisitions, net	123,307	100,671
Denominator for debt to undepreciated book value of real estate assets	<u>\$ 3,951,675</u>	<u>\$ 3,553,183</u>

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Reconciliation of tenant improvements and incentives, capital improvements and leasing costs for operating properties to recurring capital expenditures				
Total tenant improvements and incentives on operating properties	\$ 7,789	\$ 3,553	\$ 16,490	\$ 11,572
Total capital improvements on operating properties	1,717	2,927	3,835	6,795
Total leasing costs on operating properties	2,004	1,855	4,692	4,431
Less: Nonrecurring tenant improvements and incentives on operating properties	(1,067)	(711)	(1,280)	(2,780)
Less: Nonrecurring capital improvements on operating properties	(171)	(58)	(248)	(1,340)
Less: Nonrecurring leasing costs incurred on operating properties	(120)	—	(69)	(916)
Add: Recurring capital expenditures on operating properties held through joint ventures	4	6	27	76
Recurring capital expenditures	<u>\$ 10,156</u>	<u>\$ 7,572</u>	<u>\$ 23,447</u>	<u>\$ 17,838</u>

Corporate Office Properties Trust
Summary Financial Data
(unaudited)
(Dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Reconciliation of common share dividends to dividends and distributions for payout ratios				
Common share dividends	\$ 24,494	\$ 22,851	\$ 70,913	\$ 64,712
Common unit distributions	1,834	1,995	5,450	5,974
Dividends and distributions for payout ratios	<u>\$ 26,328</u>	<u>\$ 24,846</u>	<u>\$ 76,363</u>	<u>\$ 70,686</u>

Reconciliation of diluted FFO to diluted FFO available to common share and common unit holders, excluding operating property acquisition costs				
Diluted FFO	\$ 34,278	\$ 37,772	\$ 101,418	\$ 120,040
Operating property acquisition costs	2,664	—	2,954	—
Diluted FFO available to common share and common unit holders, excluding operating property acquisition costs	<u>\$ 36,942</u>	<u>\$ 37,772</u>	<u>\$ 104,372</u>	<u>\$ 120,040</u>

Reconciliation of GAAP net income to earnings before interest, income taxes, depreciation and amortization ("EBITDA")				
Net income	\$ 8,926	\$ 15,536	\$ 28,752	\$ 51,753
Interest expense on continuing operations	26,537	20,931	74,987	58,914
Interest expense on discontinued operations	89	55	263	174
Income tax expense	27	47	86	169
Real estate-related depreciation and amortization	30,745	26,712	87,896	81,911
Depreciation of furniture, fixtures and equipment	652	637	1,934	1,749
EBITDA	<u>\$ 66,976</u>	<u>\$ 63,918</u>	<u>\$ 193,918</u>	<u>\$ 194,670</u>

Reconciliation of interest expense from continuing operations to the denominators for interest coverage-EBITDA and fixed charge coverage-EBITDA				
Interest expense from continuing operations	\$ 26,537	\$ 20,931	\$ 74,987	\$ 58,914
Interest expense from discontinued operations	89	55	263	174
Less: Amortization of deferred financing costs	(1,554)	(1,056)	(4,175)	(3,089)

Less: Amortization of discount on Exchangeable Senior Notes, net of amounts capitalized	(1,541)	(762)	(3,811)	(2,183)
Denominator for interest coverage-EBITDA	23,531	19,168	67,264	53,816
Preferred share dividends	4,025	4,025	12,076	12,076
Preferred unit distributions	165	165	495	495
Denominator for fixed charge coverage-EBITDA	<u>\$ 27,721</u>	<u>\$ 23,358</u>	<u>\$ 79,835</u>	<u>\$ 66,387</u>

Reconciliation of same property net operating income to same office property cash net operating income and same office property cash net operating income, excluding gross lease termination fees

Same office property net operating income	\$ 61,282	\$ 63,921	\$ 185,370	\$ 194,454
Less: Straight-line rent adjustments	2,651	(1,205)	296	(3,945)
Less: Amortization of deferred market rental revenue	(422)	(428)	(1,484)	(1,360)
Same office property cash net operating income	\$ 63,511	\$ 62,288	\$ 184,182	\$ 189,149
Less: Lease termination fees, gross	(209)	(966)	(1,573)	(5,184)
Same office property cash net operating income, excluding gross lease termination fees	<u>\$ 63,302</u>	<u>\$ 61,322</u>	<u>\$ 182,609</u>	<u>\$ 183,965</u>

Top Twenty Tenants of Wholly Owned Office Properties as of September 30, 2010 (1)
(Dollars in thousands)

Tenant	Number of Leases	Total Occupied Square Feet	Percentage of Total Occupied Square Feet	Total Annualized Rental Revenue (2) (3)	Percentage of Total Annualized Rental Revenue	Weighted Average Remaining Lease Term (4)
United States of America (5)	75	3,125,009	17.9%	91,503	20.6%	5.9
Northrop Grumman Corporation (6)	16	1,229,313	7.1%	31,735	7.2%	6.6
Booz Allen Hamilton, Inc.	8	726,070	4.2%	21,246	4.8%	4.8
Computer Sciences Corporation (6)	6	612,024	3.5%	18,733	4.2%	3.1
The MITRE Corporation	4	261,474	1.5%	8,366	1.9%	4.6
ITT Corporation (6)	9	333,169	1.9%	7,960	1.8%	4.2
The Aerospace Corporation (6)	3	247,253	1.4%	7,728	1.7%	4.4
Wells Fargo & Company (6)	6	215,673	1.2%	7,479	1.7%	7.6
L-3 Communications Holdings, Inc. (6)	4	256,120	1.5%	7,344	1.7%	3.5
CareFirst, Inc.	2	221,893	1.3%	7,229	1.6%	6.0
Integral Systems, Inc. (6)	4	241,627	1.4%	6,205	1.4%	9.4
Comcast Corporation (6)	7	306,123	1.8%	6,100	1.4%	3.0
AT&T Corporation (6)	5	321,063	1.8%	5,490	1.2%	8.1
The Boeing Company (6)	4	161,591	0.9%	5,027	1.1%	3.1
Ciena Corporation	5	263,724	1.5%	4,956	1.1%	2.5
General Dynamics Corporation (6)	5	175,716	1.0%	4,859	1.1%	0.6
Unisys Corporation	1	156,695	0.9%	4,143	0.9%	9.7
The Johns Hopkins Institutions (6)	5	139,295	0.8%	3,507	0.8%	6.1
Merck & Co., Inc. (6)	2	225,900	1.3%	2,945	0.7%	1.8
Magellan Health Services, Inc. (6)	2	118,801	0.7%	2,755	0.6%	0.8
Subtotal Top 20 Office Tenants	173	9,338,533	53.6%	255,310	57.5%	5.4
All remaining tenants	706	8,074,097	46.4%	188,337	42.5%	3.8
Total/Weighted Average	<u>879</u>	<u>17,412,630</u>	<u>100.0%</u>	<u>\$ 443,647</u>	<u>100.0%</u>	<u>4.7</u>

- (1) Table excludes owner occupied leasing activity which represents 170,999 square feet with total annualized rental revenue of \$4,039 and a weighted average remaining lease term of 5.1 years as of September 30, 2010.
- (2) Total Annualized Rental Revenue is the monthly contractual base rent as of September 30, 2010, multiplied by 12, plus the estimated annualized expense reimbursements under existing office leases.
- (3) Order of tenants is based on Total Annualized Rental Revenue.
- (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.

**Supplemental Information
(Unaudited)**

September 30, 2010



**Corporate Office Properties Trust
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September 30, 2010**

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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, Senior Vice President and Treasurer at (443) 285-5450 or maryellen.fowler@copt.com. Reconciliations between GAAP and non-GAAP measurements have been provided. Refer to our Form 8-K for definitions of certain terms used herein.

Corporate Office Properties Trust (COPT) (NYSE: OFC) is a specialty office real estate investment trust (REIT) that focuses primarily on strategic customer relationships and specialized tenant requirements in the U.S. Government, defense information technology and data sectors. The Company acquires, develops, manages and leases office and data center properties that are typically concentrated in large office parks primarily located adjacent to government demand drivers and/or in demographically strong markets possessing growth opportunities. More information on COPT can be found at www.copt.com.

Reporting Period Highlights — Periods Ended September 30, 2010

Financial Results

For the Nine Month Period:

- FFO, excluding the effect of operating property acquisition costs, was \$119.0 million, or \$1.65 per diluted share, for the nine months ended September 30, 2010 as compared to \$134.1 million, or \$1.94 per diluted share, for the nine months ended September 30, 2009, representing a decrease of 15% per share. Including these costs, FFO was \$116.1 million, or \$1.60 per diluted share, for the nine months ended September 30, 2010. The decrease in FFO was due primarily to a \$16.1 million increase in interest expense, higher net costs for snow removal in the first quarter, lower termination fees and lower NOI from two properties in Greater Philadelphia and a warehouse in Columbia, Maryland that we expect to redevelop. This decrease was partially offset by increased NOI from property acquisitions and development placed in service.
- Net income attributable to COPT common shareholders was \$15.2 million, or \$0.24 per diluted share, for the nine months ended September 30, 2010 as compared to \$35.2 million, or \$0.62 per diluted share, for the nine months ended September 30, 2009, a decrease of 61% per share.
- Diluted AFFO available to common share and common unit holders was \$81.7 million for the nine months ended September 30, 2010 as compared to \$97.4 million for the nine months ended September 30, 2009, a decrease of 16%.
- Our diluted FFO payout ratio, excluding the effect of operating property acquisition costs, was 73% for the nine months ended September 30, 2010 as compared to 59% for the nine months ended September 30, 2009. Our diluted AFFO payout ratio was 93% for the nine months ended September 30, 2010 as compared to 73% for the nine months ended September 30, 2009.

For the Quarter Period:

- FFO, excluding the effect of operating property acquisition costs, was \$41.7 million, or \$0.58 per diluted share, for the quarter ended September 30, 2010 as compared to \$42.4 million, or \$0.60 per diluted share, for the quarter ended September 30, 2009, representing a decrease of 3% per share. Including these costs, FFO was \$39.1 million, or \$0.54 per diluted share, for the quarter ended September 30, 2010. The decrease in FFO was due primarily to a \$5.6 million increase in interest expense. This decrease was offset by increased NOI from property acquisitions and development placed in service.
- Net income attributable to COPT common shareholders was \$4.8 million, or \$0.08 per diluted share, for the quarter ended September 30, 2010 as compared to \$10.4 million, or \$0.18 per diluted share, for the quarter ended September 30, 2009, a decrease of 56% per share.
- Diluted AFFO available to common share and common unit holders was \$29.5 million for the quarter ended September 30, 2010 as compared to \$27.8 million for the quarter ended September 30, 2009, an increase of 6%.
- Our diluted FFO payout ratio, excluding the effect of operating property acquisition costs, was 71% for the quarter ended September 30, 2010 as compared to 66% for the quarter ended September 30, 2009. Our diluted AFFO payout ratio was 89% for the quarter ended September 30, 2010, which was flat compared to the quarter ended September 30, 2009.

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Acquisitions / Dispositions

- On September 14, 2010, we acquired 9651 Hornbaker Road, a 233,000 square foot wholesale data center known as Power Loft @ Innovation in Manassas, Virginia, for \$115.5 million. Rents for this property are based on the amount of megawatts of power made available for the exclusive use of tenants in the property (referred to as critical load). This property, the shell of which was completed in early 2010, was 17% leased on the date of acquisition to two tenants who have a combined initial critical load of 3 megawatts and further expansion rights of up to a combined 5 megawatts. We expect to complete the development of the property to an initial stabilization critical load of 18 megawatts for additional development costs estimated at \$166 million. Full critical load of the property is expected to be up to 30 megawatts.
- On September 28, 2010, we acquired two office properties totaling 362,000 square feet at 1201 M Street SE and 1220 12th Street SE (known as Maritime Plaza I and II) in the Capitol Riverfront submarket of Washington, DC that were 100% leased for approximately \$119 million, including the assumption of a \$70.1 million mortgage loan having a fair value of \$73.3 million with a fixed interest rate of 5.35% that matures in March 2014. The buildings are subject to ground leases that expire in 2099 and 2100.
- On September 8, 2010, we sold two office properties in Dayton, New Jersey totaling 201,000 square feet for \$20.9 million and recognized a gain of \$784,000. We also on September 8, 2010 sold a land parcel that was contiguous to these properties for \$3.0 million and recognized a gain of \$2.5 million.

Development Activities

- We placed into service an aggregate of 751,000 square feet in newly-constructed space in seven properties during the nine months ended September 30, 2010, including an aggregate of 493,000 square feet during the quarter ended September 30, 2010. These properties were 76% leased as of September 30, 2010.
- We completed leasing on an aggregate of 798,000 square feet in newly-constructed space during the nine months ended September 30, 2010, including an aggregate of 253,000 square feet in seven properties during the quarter ended September 30, 2010.

Operations

- Our wholly owned office property portfolio was 87.4% occupied and 88.7% leased as of September 30, 2010. Our entire office property portfolio was 86.4% occupied and 87.6% leased as of September 30, 2010.
- The weighted average remaining lease term of our wholly owned office portfolio was 4.7 years as of September 30, 2010, with an average contractual rental rate (including tenant reimbursements of operating costs) of \$25.48 per square foot.

For the Nine Month Period:

- Same office property cash NOI for the nine months ended September 30, 2010, excluding gross lease termination fees, decreased by \$1.4 million, or 1%, as compared to the nine months ended September 30, 2009. Including gross lease termination fees, our same office property cash NOI decreased by \$5.0 million, or 3%, as compared to the nine months ended September 30, 2009. Our same office portfolio consists of 230 properties and represents 85% of the rentable square footage of our consolidated office properties as of September 30, 2010.
- We renewed 1.4 million square feet in the nine months ended September 30, 2010 with an average committed cost of \$4.87 per square foot. For our renewed space during the nine months ended September 30, 2010, we realized an increase of 2% in total rent, as measured from the GAAP straight-line rent in effect preceding the renewal date, and a decrease of 6% in total cash rent. For our renewed and retenanting space of 1.7 million square feet during the nine months ended September 30, 2010, we realized an increase of 1% in total rent, as measured from the GAAP straight-line rent in effect preceding the renewal date, and a decrease of 7% in total cash rent. The average committed cost for our space renewed and retenanting during the nine months ended September 30, 2010 totaled \$9.08 per square foot.
- We recognized \$1.4 million in lease termination fees for the nine months ended September 30, 2010, net of write-offs of related straight-line rents and intangible assets and liabilities, as compared to \$4.3 million in the nine months ended September 30, 2009.

For the Quarter Period:

- Same office property cash NOI for the quarter ended September 30, 2010, excluding gross lease termination fees, increased by \$2.0 million, or 3%, as compared to the quarter ended September 30, 2009.

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Including gross lease termination fees, our same office property cash NOI increased by \$1.2 million, or 2%, as compared to the quarter ended September 30, 2009. We renewed 428,000 square feet in the quarter ended September 30, 2010 with an average committed cost of \$3.62 per square foot. For our renewed space during the quarter ended September 30, 2010, we realized decreases of 1% in total rent, as measured from the GAAP straight-line rent in effect preceding the renewal date, and 9% in total cash rent. For our renewed and retenanted space of 524,000 square feet during the quarter ended September 30, 2010, we realized decreases of 2% in total rent, as measured from the GAAP straight-line rent in effect preceding the renewal date, and 10% in total cash rent. The average committed cost for our space renewed and retenanted during the quarter ended September 30, 2010 totaled \$7.92 per square foot. We recognized \$182,000 in lease termination fees for the quarter ended September 30, 2010, net of write-offs of related straight-line rents and intangible assets and liabilities, as compared to \$692,000 in the quarter ended September 30, 2009.

Financing Activity and Capital Transactions

- As of September 30, 2010, our ratio of debt to total market capitalization was 49% and our ratio of debt to undepreciated book value of real estate assets was 62%.
- For the nine months ended September 30, 2010, we achieved an EBITDA interest coverage ratio of 2.88x and an EBITDA fixed charge coverage ratio of 2.43x. For the quarter ended September 30, 2010, we achieved an EBITDA interest coverage ratio of 2.85x and an EBITDA fixed charge coverage ratio of 2.42x.
- As of September 30, 2010, 72% of our debt had fixed interest rates, including the effect of interest rate swaps in effect.

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,” “could,” “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;
- changes in our plans for properties or our views of market economic conditions that could result in recognition of impairment losses;
- 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 1A of our Annual Report on Form 10-K for the year ended December 31, 2009.

Selected Financial Summary Data (dollars in thousands, except per share data)

	Three Months Ended					Nine Months Ended	
	9/30/10	6/30/10	3/31/10	12/31/09	9/30/09	9/30/10	9/30/09
Real estate revenues from continuing operations	\$ 114,550	\$ 109,257	\$ 112,228	\$ 108,737	\$ 104,132	\$ 336,035	\$ 315,247
Total revenues from continuing operations	\$ 128,158	\$ 135,322	\$ 149,593	\$ 178,290	\$ 199,453	\$ 413,073	\$ 588,781
NOI	\$ 70,724	\$ 69,847	\$ 64,700	\$ 66,822	\$ 66,260	\$ 205,271	\$ 202,627
EBITDA	\$ 66,976	\$ 65,259	\$ 61,683	\$ 61,056	\$ 63,918	\$ 193,918	\$ 194,670
Net income	\$ 8,926	\$ 9,151	\$ 10,675	\$ 9,546	\$ 15,536	\$ 28,752	\$ 51,753
Net income attributable to noncontrolling interests	(94)	(685)	(737)	(458)	(1,081)	(1,516)	(4,512)
Preferred share dividends	(4,025)	(4,026)	(4,025)	(4,026)	(4,025)	(12,076)	(12,076)
Net income attributable to COPT common shareholders	\$ 4,807	\$ 4,440	\$ 5,913	\$ 5,062	\$ 10,430	\$ 15,160	\$ 35,165
Diluted EPS	\$ 0.08	\$ 0.07	\$ 0.10	\$ 0.08	\$ 0.18	\$ 0.24	\$ 0.62
FFO	\$ 39,053	\$ 38,870	\$ 38,156	\$ 37,180	\$ 42,408	\$ 116,079	\$ 134,145
FFO, excluding operating property acquisition costs	\$ 41,717	\$ 39,141	\$ 38,175	\$ 39,147	\$ 42,408	\$ 119,033	\$ 134,145
Basic and diluted FFO available to common share and common unit holders	\$ 34,278	\$ 33,880	\$ 33,260	\$ 32,586	\$ 37,772	\$ 101,418	\$ 120,040
Diluted FFO per share	\$ 0.54	\$ 0.53	\$ 0.53	\$ 0.52	\$ 0.60	\$ 1.60	\$ 1.94
Diluted FFO per share, excluding operating property acquisition costs	\$ 0.58	\$ 0.54	\$ 0.53	\$ 0.55	\$ 0.60	\$ 1.65	\$ 1.94

Diluted AFFO available to common share and common unit holders	\$ 29,498	\$ 26,992	\$ 25,234	\$ 22,422	\$ 27,846	\$ 81,724	\$ 97,415
Payout ratios:							
Diluted FFO payout ratio, excluding operating property acquisition costs	71.3%	73.2%	75.2%	72.0%	65.8%	73.2%	58.9%
Diluted AFFO payout ratio	89.3%	92.6%	99.2%	110.9%	89.2%	93.4%	72.6%
Total dividends/distributions	\$ 30,518	\$ 29,199	\$ 29,217	\$ 29,063	\$ 29,036	\$ 88,934	\$ 83,257

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Quarterly Consolidated Balance Sheets
(dollars in thousands)

	9/30/10	6/30/10	3/31/10	12/31/09	9/30/09
Assets					
Properties, net					
Operating properties	\$ 3,241,507	\$ 3,040,414	\$ 2,954,575	\$ 2,950,327	\$ 2,790,568
Land - development	241,937	234,662	236,350	231,809	214,147
Construction in progress	344,924	319,846	317,283	270,376	266,117
Less: accumulated depreciation	(479,218)	(464,408)	(443,246)	(422,612)	(402,125)
Total properties, net	3,349,150	3,130,514	3,064,962	3,029,900	2,868,707
Cash and cash equivalents	11,733	9,879	10,180	8,262	9,981
Restricted cash and marketable securities	21,095	20,738	18,981	16,549	16,779
Accounts receivable, net	18,906	12,552	13,982	17,459	14,004
Deferred rent receivable	76,833	75,683	74,113	71,805	69,816
Intangible assets on real estate acquisitions, net	123,307	96,151	94,925	100,671	75,506
Deferred leasing and financing costs, net	56,568	55,762	50,974	51,570	50,673
Prepaid expenses and other assets	79,780	66,004	70,235	83,806	125,181
Total assets	\$ 3,737,372	\$ 3,467,283	\$ 3,398,352	\$ 3,380,022	\$ 3,230,647
Liabilities and equity					
Liabilities:					
Debt, net	\$ 2,468,419	\$ 2,182,375	\$ 2,107,131	\$ 2,053,841	\$ 1,897,852
Accounts payable and accrued expenses	88,461	84,164	86,650	116,455	113,416
Rents received in advance and security deposits	26,919	28,328	32,575	32,177	33,322
Dividends and distributions payable	29,899	28,580	28,556	28,440	28,411
Deferred revenue associated with operating leases	15,790	12,929	13,827	14,938	8,044
Distributions received in excess of investment in unconsolidated real estate joint venture	5,458	5,351	5,238	5,088	4,966
Other liabilities	12,698	13,990	13,836	8,451	8,453
Total liabilities	2,647,644	2,355,717	2,287,813	2,259,390	2,094,464
Commitments and contingencies	—	—	—	—	—
Equity:					
COPT's shareholders' equity:					
Preferred shares (aggregate liquidation preference of \$216,333)	81	81	81	81	81
Common shares	594	593	589	583	583
Additional paid-in capital	1,271,363	1,269,142	1,244,046	1,238,704	1,234,910
Cumulative distributions in excess of net income	(265,695)	(246,008)	(227,189)	(209,941)	(192,119)
Accumulated other comprehensive loss	(4,861)	(4,263)	(3,278)	(1,907)	(2,291)
Total COPT's shareholders' equity	1,001,482	1,019,545	1,014,249	1,027,520	1,041,164
Noncontrolling interests in subsidiaries					
Common units in the Operating Partnership	61,867	63,675	68,113	73,892	75,657
Preferred units in the Operating Partnership	8,800	8,800	8,800	8,800	8,800
Other consolidated entities	17,579	19,546	19,377	10,420	10,562
Total noncontrolling interests in subsidiaries	88,246	92,021	96,290	93,112	95,019
Total equity	1,089,728	1,111,566	1,110,539	1,120,632	1,136,183
Total liabilities and equity	\$ 3,737,372	\$ 3,467,283	\$ 3,398,352	\$ 3,380,022	\$ 3,230,647

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Consolidated Statements of Operations
(in thousands, except per share data)

	Three Months Ended					Nine Months Ended	
	9/30/10	6/30/10	3/31/10	12/31/09	9/30/09	9/30/10	9/30/09
Revenues							
Rental revenue	\$ 93,345	\$ 91,173	\$ 91,010	\$ 89,346	\$ 86,973	\$ 275,528	\$ 263,467
Tenant recoveries and other real estate operations revenue	21,205	18,084	21,218	19,391	17,159	60,507	51,780
Construction contract and other service revenues	13,608	26,065	37,365	69,553	95,321	77,038	273,534

Total revenues	128,158	135,322	149,593	178,290	199,453	413,073	588,781
Expenses							
Property operating expenses	44,260	40,005	48,135	42,567	38,523	132,400	114,587
Depreciation and amortization associated with real estate operations	30,745	29,548	27,596	27,261	26,498	87,889	81,268
Construction contract and other service expenses	13,347	25,402	36,399	68,230	93,805	75,148	268,289
General and administrative expenses	6,079	5,926	5,900	5,965	5,898	17,905	17,275
Business development expenses	2,886	465	155	2,149	458	3,506	1,550
Total operating expenses	97,317	101,346	118,185	146,172	165,182	316,848	482,969
Operating income	30,841	33,976	31,408	32,118	34,271	96,225	105,812
Interest expense	(26,537)	(25,812)	(22,638)	(23,273)	(20,931)	(74,987)	(58,914)
Interest and other income	395	245	1,302	215	2,619	1,942	4,949
Income from continuing operations before equity in income (loss) of unconsolidated entities and income taxes							
	4,699	8,409	10,072	9,060	15,959	23,180	51,847
Equity in income (loss) of unconsolidated entities	648	(72)	(205)	134	(758)	371	(1,075)
Income tax expense	(27)	(7)	(41)	(27)	(47)	(75)	(169)
Income from continuing operations	5,320	8,330	9,826	9,167	15,154	23,476	50,603
Discontinued operations	1,129	486	832	379	382	2,447	1,150
Income before gain on sales of real estate	6,449	8,816	10,658	9,546	15,536	25,923	51,753
Gain on sales of real estate, net of income taxes	2,477	335	17	—	—	2,829	—
Net income	8,926	9,151	10,675	9,546	15,536	28,752	51,753
Less net income attributable to noncontrolling interests							
Common units in the Operating Partnership	(363)	(364)	(527)	(463)	(956)	(1,254)	(4,032)
Preferred units in the Operating Partnership	(165)	(165)	(165)	(165)	(165)	(495)	(495)
Other consolidated entities	434	(156)	(45)	170	40	233	15
Net income attributable to COPT	8,832	8,466	9,938	9,088	14,455	27,236	47,241
Preferred share dividends	(4,025)	(4,026)	(4,025)	(4,026)	(4,025)	(12,076)	(12,076)
Net income attributable to COPT common shareholders	\$ 4,807	\$ 4,440	\$ 5,913	\$ 5,062	\$ 10,430	\$ 15,160	\$ 35,165
For diluted EPS computations:							
<u>Numerator for diluted EPS</u>							
Net income attributable to common shareholders	\$ 4,807	\$ 4,440	\$ 5,913	\$ 5,062	\$ 10,430	\$ 15,160	\$ 35,165
Amount allocable to restricted shares	(267)	(250)	(290)	(247)	(253)	(807)	(763)
<u>Numerator for diluted EPS</u>	<u>\$ 4,540</u>	<u>\$ 4,190</u>	<u>\$ 5,623</u>	<u>\$ 4,815</u>	<u>\$ 10,177</u>	<u>\$ 14,353</u>	<u>\$ 34,402</u>
<u>Denominator:</u>							
Weighted average common shares - basic	58,656	58,489	57,844	57,604	57,470	58,333	55,366
Dilutive effect of share-based compensation awards	296	421	364	413	485	367	506
<u>Weighted average common shares - diluted</u>	<u>58,952</u>	<u>58,910</u>	<u>58,208</u>	<u>58,017</u>	<u>57,955</u>	<u>58,700</u>	<u>55,872</u>
Diluted EPS	\$ 0.08	\$ 0.07	\$ 0.10	\$ 0.08	\$ 0.18	\$ 0.24	\$ 0.62

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**Consolidated Reconciliations of FFO, AFFO, EPS
(in thousands, except per share data)**

	Three Months Ended					Nine Months Ended	
	9/30/10	6/30/10	3/31/10	12/31/09	9/30/09	9/30/10	9/30/09
Net income	\$ 8,926	\$ 9,151	\$ 10,675	\$ 9,546	\$ 15,536	\$ 28,752	\$ 51,753
Real estate-related depreciation and amortization	30,745	29,548	27,603	27,475	26,712	87,896	81,911
Depreciation and amortization on unconsolidated real estate entities	166	171	175	159	160	512	481
Gain on sales of operating properties, net of income taxes	(784)	—	(297)	—	—	(1,081)	—
FFO	39,053	38,870	38,156	37,180	42,408	116,079	134,145
Noncontrolling interests - preferred units in the Operating Partnership	(165)	(165)	(165)	(165)	(165)	(495)	(495)
Noncontrolling interests - other consolidated entities	434	(156)	(45)	170	40	233	15
Preferred share dividends	(4,025)	(4,026)	(4,025)	(4,026)	(4,025)	(12,076)	(12,076)
Depreciation and amortization allocable to noncontrolling interests in other consolidated entities	(666)	(297)	(282)	(242)	(91)	(1,245)	(251)
Basic and diluted FFO allocable to restricted shares	(353)	(346)	(379)	(331)	(395)	(1,078)	(1,298)
Basic and diluted FFO available to common share and common unit holders	34,278	33,880	33,260	32,586	37,772	101,418	120,040
Straight line rent adjustments	1,267	(1,473)	(2,346)	1,676	(2,665)	(2,552)	(5,523)
Amortization of acquisition intangibles included in NOI	(96)	(94)	(270)	(679)	(451)	(460)	(1,447)
Recurring capital expenditures	(10,156)	(7,080)	(6,211)	(13,900)	(7,572)	(23,447)	(17,838)

Amortization of discount on Exchangeable Senior Notes, net of amounts capitalized	1,541	1,488	782	772	762	3,811	2,183
Operating property acquisition costs	2,664	271	19	1,967	—	2,954	—
Diluted AFFO available to common share and common unit holders	\$ 29,498	\$ 26,992	\$ 25,234	\$ 22,422	\$ 27,846	\$ 81,724	\$ 97,415
Preferred dividends	\$ 4,025	\$ 4,026	\$ 4,025	\$ 4,026	\$ 4,025	\$ 12,076	\$ 12,076
Preferred distributions	165	165	165	165	165	495	495
Common distributions	1,834	1,749	1,867	1,988	1,995	5,450	5,974
Common dividends	24,494	23,259	23,160	22,884	22,851	70,913	64,712
Total dividends/distributions	\$ 30,518	\$ 29,199	\$ 29,217	\$ 29,063	\$ 29,036	\$ 88,934	\$ 83,257
Denominator for diluted EPS	58,952	58,910	58,208	58,017	57,955	58,700	55,872
Weighted average common units	4,453	4,558	5,017	5,078	5,084	4,674	5,932
Denominator for diluted FFO per share	63,405	63,468	63,225	63,095	63,039	63,374	61,804
FFO	\$ 39,053	\$ 38,870	\$ 38,156	\$ 37,180	\$ 42,408	116,079	134,145
Operating property acquisition costs	2,664	271	19	1,967	—	2,954	—
FFO, excluding operating property acquisition costs	\$ 41,717	\$ 39,141	\$ 38,175	\$ 39,147	\$ 42,408	119,033	134,145
Diluted FFO available to common share and common unit holders	\$ 34,278	\$ 33,880	\$ 33,260	\$ 32,586	\$ 37,772	\$ 101,418	\$ 120,040
Operating property acquisition costs	2,664	271	19	1,967	—	2,954	—
Diluted FFO available to common share and common unit holders, excluding operating property acquisition costs	\$ 36,942	\$ 34,151	\$ 33,279	\$ 34,553	\$ 37,772	\$ 104,372	\$ 120,040
Diluted FFO per share, excluding operating property acquisition costs	\$ 0.58	\$ 0.54	\$ 0.53	\$ 0.55	\$ 0.60	\$ 1.65	\$ 1.94

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**Consolidated Reconciliations of EBITDA, NOI, Discontinued Operations,
Gains on Sales of Real Estate and Certain Non-GAAP Measures
(in thousands)**

	Three Months Ended					Nine Months Ended	
	9/30/10	6/30/10	3/31/10	12/31/09	9/30/09	9/30/10	9/30/09
Net income	\$ 8,926	\$ 9,151	\$ 10,675	\$ 9,546	\$ 15,536	\$ 28,752	\$ 51,753
Interest expense on continuing and discontinued operations	26,626	25,921	22,703	23,332	20,986	75,250	59,088
Total income tax expense (1)	27	7	52	27	47	86	169
Depreciation of furniture, fixtures and equipment (FF&E)	652	632	650	676	637	1,934	1,749
Real estate-related depreciation and amortization	30,745	29,548	27,603	27,475	26,712	87,896	81,911
EBITDA	\$ 66,976	\$ 65,259	\$ 61,683	\$ 61,056	\$ 63,918	\$ 193,918	\$ 194,670
Add back:							
General and administrative	6,079	5,926	5,900	5,965	5,898	17,905	17,275
Business development	2,886	465	155	2,149	458	3,506	1,550
Depreciation of FF&E	(652)	(632)	(650)	(676)	(637)	(1,934)	(1,749)
Income from construction contracts and other service operations	(261)	(663)	(966)	(1,323)	(1,516)	(1,890)	(5,245)
Interest and other income	(395)	(245)	(1,302)	(215)	(2,619)	(1,942)	(4,949)
Gain on sales of operating properties	(784)	—	(297)	—	—	(1,081)	—
Non-operational property sales	(2,477)	(335)	(28)	—	—	(2,840)	—
Equity in (income) loss of unconsolidated entities	(648)	72	205	(134)	758	(371)	1,075
NOI	\$ 70,724	\$ 69,847	\$ 64,700	\$ 66,822	\$ 66,260	\$ 205,271	\$ 202,627
Discontinued Operations							
Revenues from real estate operations	\$ 478	\$ 734	\$ 768	\$ 713	\$ 711	\$ 1,980	\$ 2,158
Property operating expenses	(44)	(139)	(161)	(61)	(60)	(344)	(191)
Depreciation and amortization	—	—	(7)	(214)	(214)	(7)	(643)
Interest	(89)	(109)	(65)	(59)	(55)	(263)	(174)
Gain on sales of depreciated real estate properties	784	—	297	—	—	1,081	—
Discontinued operations	\$ 1,129	\$ 486	\$ 832	\$ 379	\$ 382	\$ 2,447	\$ 1,150
Gain on sales of real estate, net, per statements of operations	\$ 2,477	\$ 335	\$ 17	\$ —	\$ —	\$ 2,829	\$ —
Add income taxes	—	—	11	—	—	11	—
Gain on sales of real estate from discontinued operations	784	—	297	—	—	1,081	—
Gain on sales of real estate from continuing and discontinued operations	3,261	335	325	—	—	3,921	—
Gain on sales of non-operating properties	(2,477)	(335)	(28)	—	—	(2,840)	—
Gain on sales of operating properties	\$ 784	\$ —	\$ 297	\$ —	\$ —	\$ 1,081	\$ —

(1) Includes income taxes from continuing operations, discontinued operations and gains on other sales of real estate (see components on page 9).

Reconciliations of Non GAAP Measurements
(Dollars in thousands)

	Three Months Ended					Nine Months Ended	
	9/30/10	6/30/10	3/31/10	12/31/09	9/30/09	9/30/10	9/30/09
Total Assets or Denominator for Debt to Total Assets	\$ 3,737,372	\$ 3,467,283	\$ 3,398,352	\$ 3,380,022	\$ 3,230,647		
Accumulated depreciation	479,218	464,408	443,246	422,612	402,125		
Intangible assets on real estate acquisitions, net	123,307	96,151	94,925	100,671	75,506		
Assets other than assets included in properties, net	(388,222)	(336,769)	(333,390)	(350,122)	(361,940)		
Denominator for Debt to Undepreciated Book Value of Real Estate Assets	\$ 3,951,675	\$ 3,691,073	\$ 3,603,133	\$ 3,553,183	\$ 3,346,338		
GAAP revenues from real estate operations from continuing operations	\$ 114,550	\$ 109,257	\$ 112,228	\$ 108,737	\$ 104,132	\$ 336,035	\$ 315,247
Revenues from discontinued operations	478	734	768	713	711	1,980	2,158
Real estate revenues from continuing and discontinued operations	\$ 115,028	\$ 109,991	\$ 112,996	\$ 109,450	\$ 104,843	\$ 338,015	\$ 317,405
GAAP revenues from real estate operations from continuing operations	\$ 114,550	\$ 109,257	\$ 112,228	\$ 108,737	\$ 104,132	\$ 336,035	\$ 315,247
Property operating expenses	(44,260)	(40,005)	(48,135)	(42,567)	(38,523)	(132,400)	(114,587)
Revenues from discontinued operations	478	734	768	713	711	1,980	2,158
Property operating expenses from discontinued operations	(44)	(139)	(161)	(61)	(60)	(344)	(191)
NOI	\$ 70,724	\$ 69,847	\$ 64,700	\$ 66,822	\$ 66,260	\$ 205,271	\$ 202,627
Depreciation and amortization assoc. with real estate operations from continuing operations	\$ 30,745	\$ 29,548	\$ 27,596	\$ 27,261	\$ 26,498	\$ 87,889	\$ 81,268
Depreciation and amortization from discontinued operations	—	—	7	214	214	7	643
Real estate-related depreciation and amortization	\$ 30,745	\$ 29,548	\$ 27,603	\$ 27,475	\$ 26,712	\$ 87,896	\$ 81,911
Total tenant improvements and incentives on operating properties	\$ 7,789	\$ 4,630	\$ 4,071	\$ 2,359	\$ 3,553	\$ 16,490	\$ 11,572
Total capital improvements on operating properties	1,717	1,248	870	9,475	2,927	3,835	6,795
Total leasing costs for operating properties	2,004	1,350	1,338	2,801	1,855	4,692	4,431
Less: Nonrecurring tenant improvements and incentives on operating properties	(1,067)	(136)	(77)	(851)	(711)	(1,280)	(2,780)
Less: Nonrecurring capital improvements on operating properties	(171)	(17)	(60)	(117)	(58)	(248)	(1,340)
Less: Nonrecurring leasing costs for operating properties	(120)	(3)	54	(186)	—	(69)	(916)
Add: Recurring capital expenditures on operating properties held through joint ventures	4	8	15	419	6	27	76
Recurring capital expenditures	\$ 10,156	\$ 7,080	\$ 6,211	\$ 13,900	\$ 7,572	\$ 23,447	\$ 17,838
Interest expense from continuing operations	\$ 26,537	\$ 25,812	\$ 22,638	\$ 23,273	\$ 20,931	\$ 74,987	\$ 58,914
Interest expense from discontinued operations	89	109	65	59	55	263	174
Total interest expense	\$ 26,626	\$ 25,921	\$ 22,703	\$ 23,332	\$ 20,986	\$ 75,250	\$ 59,088
Less: Amortization of deferred financing costs	(1,554)	(1,495)	(1,126)	(1,125)	(1,056)	(4,175)	(3,089)
Less: Amortization of discount on Exchangeable Senior Notes, net of amounts capitalized	(1,541)	(1,488)	(782)	(772)	(762)	(3,811)	(2,183)
Denominator for interest coverage	\$ 23,531	\$ 22,938	\$ 20,795	\$ 21,435	\$ 19,168	\$ 67,264	\$ 53,816
Scheduled principal amortization	3,420	3,500	3,469	3,289	2,691	10,389	8,200
Denominator for debt service coverage	\$ 26,951	\$ 26,438	\$ 24,264	\$ 24,724	\$ 21,859	\$ 77,653	\$ 62,016

Scheduled principal amortization	(3,420)	(3,500)	(3,469)	(3,289)	(2,691)	(10,389)	(8,200)
Preferred dividends - redeemable non-convertible	4,025	4,026	4,025	4,026	4,025	12,076	12,076
Preferred distributions	165	165	165	165	165	495	495
Denominator for fixed charge coverage	\$ 27,721	\$ 27,129	\$ 24,985	\$ 25,626	\$ 23,358	\$ 79,835	\$ 66,387
Common share dividends	\$ 24,494	\$ 23,259	\$ 23,160	\$ 22,884	\$ 22,851	\$ 70,913	\$ 64,712
Common unit distributions	1,834	1,749	1,867	1,988	1,995	5,450	5,974
Dividends and distributions for FFO and AFFO payout ratios	\$ 26,328	\$ 25,008	\$ 25,027	\$ 24,872	\$ 24,846	\$ 76,363	\$ 70,686
Income tax expense from continuing operations	\$ 27	\$ 7	\$ 41	\$ 27	\$ 47	\$ 75	\$ 169
Income tax expense from gain on other sales of real estate	—	—	11	—	—	11	—
Total income tax expense	\$ 27	\$ 7	\$ 52	\$ 27	\$ 47	\$ 86	\$ 169

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Real Estate Revenues from Continuing and Discontinued Operations by Geographic Region
(Dollars in thousands)

	Three Months Ended					Nine Months Ended	
	9/30/10	6/30/10	3/31/10	12/31/09	9/30/09	9/30/10	9/30/09
Office Properties:							
Baltimore/Washington Corridor	\$ 51,946	\$ 50,623	\$ 52,058	\$ 50,681	\$ 48,984	\$ 154,627	\$ 146,929
Northern Virginia	18,949	18,172	18,659	19,186	18,897	55,780	59,946
Greater Baltimore	18,288	16,827	17,865	16,265	14,493	52,980	42,010
Colorado Springs	6,176	6,154	6,332	6,190	6,261	18,662	16,935
Suburban Maryland	5,243	5,452	5,829	4,697	4,736	16,524	14,923
St. Mary's and King George Counties	3,431	3,530	3,589	3,566	3,528	10,550	10,394
San Antonio	5,609	4,228	3,938	3,805	3,269	13,775	9,761
Greater Philadelphia	1,793	1,510	1,202	1,627	1,343	4,505	6,356
Other	3,593	3,495	3,524	3,433	3,332	10,612	10,151
Real estate revenues from cont. and discont. operations	\$ 115,028	\$ 109,991	\$ 112,996	\$ 109,450	\$ 104,843	\$ 338,015	\$ 317,405

NOI by Geographic Region
(Dollars in thousands)

	Three Months Ended					Nine Months Ended	
	9/30/10	6/30/10	3/31/10	12/31/09	9/30/09	9/30/10	9/30/09
Office Properties:							
Baltimore/Washington Corridor	\$ 33,001	\$ 33,770	\$ 29,903	\$ 31,647	\$ 31,182	\$ 96,674	\$ 93,061
Northern Virginia	11,754	11,466	11,346	11,684	11,519	34,566	37,337
Greater Baltimore	10,460	9,516	8,855	9,201	8,649	28,831	23,514
Colorado Springs	3,796	3,915	4,023	3,662	4,447	11,734	12,072
Suburban Maryland	2,625	3,253	3,128	2,458	2,672	9,006	8,769
St. Mary's and King George Counties	2,279	2,489	2,482	2,641	2,651	7,250	7,828
San Antonio	2,912	2,128	2,309	2,354	2,038	7,349	6,733
Greater Philadelphia	1,561	710	439	981	782	2,710	5,731
Other	2,336	2,600	2,215	2,194	2,320	7,151	7,582
NOI	\$ 70,724	\$ 69,847	\$ 64,700	\$ 66,822	\$ 66,260	\$ 205,271	\$ 202,627

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Same Office Property Cash NOI
(Dollars in thousands)

	Three Months Ended					Nine Months Ended	
	9/30/10	6/30/10	3/31/10	12/31/09	9/30/09	9/30/10	9/30/09
Office Properties: (1)							
Baltimore/Washington Corridor	\$ 33,046	\$ 31,326	\$ 27,172	\$ 31,709	\$ 30,448	\$ 91,544	\$ 90,427
Northern Virginia	10,543	11,781	11,603	11,637	11,208	33,927	37,605
Greater Baltimore	7,818	7,608	6,612	6,808	8,136	22,038	22,004
Colorado Springs	3,418	3,423	3,423	2,995	3,237	10,264	10,359
Suburban Maryland	1,601	1,947	2,200	2,194	2,460	5,748	8,053
St. Mary's and King George Counties	2,325	2,538	2,496	2,630	2,627	7,359	7,609
San Antonio	1,962	1,735	1,906	2,019	1,625	5,603	5,499
Greater Philadelphia	773	677	406	783	636	1,856	1,904
Other	2,025	1,908	1,910	1,884	1,911	5,843	5,689
Total Office Properties	\$ 63,511	\$ 62,943	\$ 57,728	\$ 62,659	\$ 62,288	\$ 184,182	\$ 189,149
Less: Lease termination fees, gross	(209)	(1,086)	(278)	(347)	(966)	(1,573)	(5,184)

Same office property cash NOI, excluding gross lease termination fees	\$ 63,302	\$ 61,857	\$ 57,450	\$ 62,312	\$ 61,322	\$ 182,609	\$ 183,965
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**Same Office Property GAAP NOI
(Dollars in thousands)**

	Three Months Ended					Nine Months Ended	
	9/30/10	6/30/10	3/31/10	12/31/09	9/30/09	9/30/10	9/30/09
Office Properties: (1)							
Baltimore/Washington Corridor	\$ 29,831	\$ 31,789	\$ 28,179	\$ 29,895	\$ 30,046	\$ 89,799	\$ 90,751
Northern Virginia	10,711	11,487	11,476	11,829	11,594	33,674	37,620
Greater Baltimore	7,896	7,889	6,861	7,385	8,641	22,646	23,512
Colorado Springs	3,569	3,581	3,609	3,223	3,510	10,759	11,138
Suburban Maryland	1,668	2,141	2,224	2,327	2,580	6,033	8,462
St. Mary's and King George Counties	2,280	2,491	2,483	2,652	2,653	7,254	7,833
San Antonio	2,338	2,115	2,287	2,405	2,059	6,740	6,806
Greater Philadelphia	762	680	513	796	650	1,955	1,794
Other	2,227	2,136	2,147	2,130	2,188	6,510	6,538
Total Office Properties	\$ 61,282	\$ 64,309	\$ 59,779	\$ 62,642	\$ 63,921	\$ 185,370	\$ 194,454

GAAP net operating income for same office properties	\$ 61,282	\$ 64,309	\$ 59,779	\$ 62,642	\$ 63,921	\$ 185,370	\$ 194,454
Add (less): Straight-line rent adjustments	2,651	(875)	(1,480)	640	(1,205)	296	(3,945)
Less: Amortization of deferred market rental revenue	(422)	(491)	(571)	(623)	(428)	(1,484)	(1,360)
Same office property cash NOI	\$ 63,511	\$ 62,943	\$ 57,728	\$ 62,659	\$ 62,288	\$ 184,182	\$ 189,149
Less: Lease termination fees, gross	(209)	(1,086)	(278)	(347)	(966)	(1,573)	(5,184)
Same office property cash NOI, excluding gross lease termination fees	\$ 63,302	\$ 61,857	\$ 57,450	\$ 62,312	\$ 61,322	\$ 182,609	\$ 183,965

(1) Same office properties represent buildings owned and 100% operational since January 1, 2009.

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

	Three Months Ended					Nine Months Ended	
	9/30/10	6/30/10	3/31/10	12/31/09	9/30/09	9/30/10	9/30/09
OPERATING RATIOS — All computations include the effect of discontinued operations							
Net income as a % of Real estate revenues from cont. and discount. operations (Net income / Real estate revenues from cont. and discount. operations)	7.8%	8.3%	9.4%	8.7%	14.8%	8.5%	16.3%
NOI as a % of Real estate revenues from cont. and discount. operations (NOI / Real estate revenues from cont. and discount. operations)	61.5%	63.5%	57.3%	61.1%	63.2%	60.7%	63.8%
EBITDA as a % of Real estate revenues from cont. and discount. operations (EBITDA / Real estate revenues from cont. and discount. operations)	58.2%	59.3%	54.6%	55.8%	61.0%	57.4%	61.3%
G&A as a % of Real estate revenues from cont. and discount. operations (G&A / Real estate revenues from cont. and discount. operations)	5.3%	5.4%	5.2%	5.4%	5.6%	5.3%	5.4%
G&A as a % of EBITDA (G&A / EBITDA)	9.1%	9.1%	9.6%	9.8%	9.2%	9.2%	8.9%
Recurring Capital Expenditures	\$ 10,156	\$ 7,080	\$ 6,211	\$ 13,900	\$ 7,572	\$ 23,447	\$ 17,838
Recurring Capital Expenditures per average square foot of consolidated properties	\$ 0.50	\$ 0.36	\$ 0.32	\$ 0.73	\$ 0.40	\$ 1.18	\$ 0.95
Recurring Capital Expenditures as a % of NOI	14.4%	10.1%	9.6%	20.8%	11.4%	11.4%	8.8%

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**Debt Analysis
(Dollars in thousands)**

	9/30/10	6/30/10	3/31/10	12/31/09	9/30/09
Debt Outstanding					
Mortgage Loans	\$ 1,449,817	\$ 1,432,544	\$ 1,452,845	\$ 1,439,608	\$ 1,454,240
Construction Loans (1)	138,655	119,640	100,225	93,086	60,364
Unsecured Revolving Credit Facility (2)	498,000	250,000	397,000	365,000	228,000
Exchangeable Senior Notes	381,947	380,191	157,061	156,147	155,248
	<u>\$ 2,468,419</u>	<u>\$ 2,182,375</u>	<u>\$ 2,107,131</u>	<u>\$ 2,053,841</u>	<u>\$ 1,897,852</u>
Interest Rate Data					
Fixed-Mortgage Loans	\$ 1,179,060	\$ 1,161,652	\$ 1,165,073	\$ 1,168,462	\$ 1,182,967
Fixed-Exchangeable Senior Notes	381,947	380,191	157,061	156,147	155,248
Variable	687,412	420,532	564,997	509,232	289,637
Variable Subject to Interest Rate Swaps (3)	220,000	220,000	220,000	220,000	270,000
	<u>\$ 2,468,419</u>	<u>\$ 2,182,375</u>	<u>\$ 2,107,131</u>	<u>\$ 2,053,841</u>	<u>\$ 1,897,852</u>
% of Fixed Rate Loans (3)	72.15%	80.73%	73.19%	75.21%	84.74%
% of Variable Rate Loans (3)	27.85%	19.27%	26.81%	24.79%	15.26%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

	Three Months Ended				Nine Months Ended	
	9/30/2010	6/30/2010	3/31/2010	12/31/2009	9/30/09	9/30/09
Average Contract Interest Rates						
Mortgage & Construction Loans	5.39%	5.43%	5.45%	5.49%	5.10%	5.45%
Unsecured Revolving Credit Facility (4)	2.19%	2.53%	1.93%	2.43%	2.82%	2.16%
Exchangeable Senior Notes (5)	3.95%	3.95%	3.50%	3.50%	3.50%	3.87%
Total Weighted Average	5.06%	5.26%	4.83%	5.07%	4.85%	5.05%

Coverage Ratios (excluding capitalized interest)

— All coverage computations include the effect of discontinued operations

	9/30/10	6/30/10	3/31/10	12/31/09	9/30/09	9/30/09	9/30/09
NOI interest coverage ratio	3.01x	3.05x	3.11x	3.12x	3.46x	3.05x	3.77x
EBITDA interest coverage ratio	2.85x	2.85x	2.97x	2.85x	3.33x	2.88x	3.62x
NOI debt service coverage ratio	2.62x	2.64x	2.67x	2.70x	3.03x	2.64x	3.27x
EBITDA debt service coverage ratio	2.49x	2.47x	2.54x	2.47x	2.92x	2.50x	3.14x
NOI fixed charge coverage ratio	2.55x	2.57x	2.59x	2.61x	2.84x	2.57x	3.05x
EBITDA fixed charge coverage ratio	2.42x	2.41x	2.47x	2.38x	2.74x	2.43x	2.93x

- (1) Includes \$121.9 million due under our Revolving Construction Facility at September 30, 2010. This facility provides for the borrowing of up to \$225.0 million to finance construction of the Company's wholly owned buildings.
- (2) As of September 30, 2010, our borrowing capacity under the Revolving Credit Facility was \$700.0 million, of which \$200.1 million was available.
- (3) Includes the effect of the following interest rate swaps in effect during certain of the periods set forth above that hedge the risk of changes in interest rates on certain of our one-month LIBOR-based variable rate debt:

	Notional Amount	One-Month Libor Base	Effective Date	Expiration Date
\$	50,000	5.036%	3/28/06	3/30/09
\$	25,000	5.232%	5/1/06	5/1/09
\$	25,000	5.232%	5/1/06	5/1/09
\$	50,000	4.330%	10/23/07	10/23/09
\$	100,000	2.510%	11/3/08	12/31/09
\$	120,000	1.760%	1/2/09	5/1/2012
\$	100,000	1.975%	1/1/10	5/1/2012

- (4) Includes effect of interest expense incurred on interest rate swaps.
- (5) Represents the weighted average of the stated interest rates on our Exchangeable Senior Notes.

Debt Maturity Schedule - September 30, 2010 (Dollars in thousands)

Year of Maturity	Non-Recourse Debt (1)		Recourse Debt (1)			Revolver (2)	Total Scheduled Payments
	Annual Amortization of Monthly Payments	Balloon Payments Due on Maturity	Annual Amortization of Monthly Payments	Balloon Payments Due on Maturity	Weighted Average Interest Rate of Amounts Maturing		
October - December	\$ 3,348	\$ —	\$ 244	\$ —	—	\$ —	\$ 3,592
Total 2010	<u>\$ 3,348</u>	<u>\$ —</u>	<u>\$ 244</u>	<u>\$ —</u>	—	<u>\$ —</u>	<u>\$ 3,592</u>
2011 (3)	13,156	102,264	1,005	138,655	—	498,000	753,081
2012	12,064	257,523	1,065	—	—	—	270,652
2013	9,291	134,843	1,130	—	—	—	145,264
2014 (4)	5,873	175,931	840	26,766	—	—	209,411
2015	4,508	114,558	529	—	—	—	119,596
2016	3,481	274,605	556	—	—	—	278,642
2017	193	300,610	585	—	—	—	301,388
2018	—	—	617	—	—	—	617
2019	—	—	573	39	—	—	612
2020	—	—	200	—	—	—	200

2021	—	—	200	—	—	200
2022	—	—	200	—	—	200
2023	—	—	200	—	—	200
2024	—	—	200	—	—	200
2025	—	—	200	—	—	200
2026	—	—	50	11	—	61
	<u>\$ 51,914</u>	<u>\$ 1,360,334</u>	<u>\$ 8,396</u>	<u>\$ 165,472</u>	<u>\$ 498,000</u>	<u>\$ 2,084,116</u>
	Net premium					2,356
	Mortgage and Other Loans Payable					<u>\$ 2,086,472</u>
				3.5%	4.25%	
	Exchangeable Senior Notes-Face Amount	\$	162,500	\$	240,000	\$ 402,500
	Net discount		(3,572)		(16,981)	(20,553)
	Exchangeable Senior Notes (5)	\$	158,928	\$	223,019	<u>381,947</u>
	Total Debt					<u>\$ 2,468,419</u>

Notes:

- 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.
- As of September 30, 2010, our borrowing capacity under the Revolving Credit Facility was \$700.0 million, of which \$200.1 million was available.
- Includes \$498 million due under our Revolving Credit Facility at September 30, 2010 that may be extended by us for a one-year period, subject to certain conditions. Also includes \$121.9 million due under our Revolving Construction Facility at September 30, 2010 that may be extended by us for a one-year period, subject to certain conditions; this facility provides for the borrowing of up to \$225.0 million to finance construction of the Company's wholly owned buildings.
- We have \$74.7 million of nonrecourse debt maturing in 2034 that may be prepaid in 2014, subject to certain conditions. The above table includes \$69.2 in maturities on these loans in 2014.
- 3.5% Exchangeable Senior Notes mature in September 2026 but are subject to a put by the holders in September 2011 and every five years thereafter. 4.25% Exchangeable Senior Notes mature in April 2030 but are subject to a put by the holders in April 2015 and every five years thereafter.

Quarterly Equity Analysis
(Dollars and shares in thousands except per share data)

	9/30/10	6/30/10	3/31/10	12/31/09	9/30/09
Common Equity - End of Quarter					
Common Shares	59,406	59,288	58,927	58,343	58,250
Common Units	4,446	4,456	4,757	5,066	5,084
Total	<u>63,852</u>	<u>63,744</u>	<u>63,684</u>	<u>63,409</u>	<u>63,334</u>
End of Quarter Common Share Price	\$ 37.31	\$ 37.76	\$ 40.13	\$ 36.63	\$ 36.88
Market Value of Common Shares/Units	<u>\$ 2,382,318</u>	<u>\$ 2,406,973</u>	<u>\$ 2,555,639</u>	<u>\$ 2,322,672</u>	<u>\$ 2,335,758</u>
Common Shares Trading Volume					
Average Daily Volume (Shares)	728	887	654	751	953
Average Daily Volume	\$ 27,241	\$ 35,095	\$ 24,583	\$ 26,570	\$ 33,091
As a Percentage of Weighted Average Common Shares	1.2%	1.5%	1.1%	1.3%	1.7%
Common Share Price Range (price per share)					
Quarterly High	\$ 39.85	\$ 43.61	\$ 42.44	\$ 38.29	\$ 40.59
Quarterly Low	\$ 35.04	\$ 34.82	\$ 32.69	\$ 31.77	\$ 26.87
Quarterly Average	\$ 37.44	\$ 39.58	\$ 37.57	\$ 35.38	\$ 34.72
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	532	532	532	532	532
Conversion Ratio	0.8163	0.8163	0.8163	0.8163	0.8163
Common Shares Issued Assuming Conversion	434	434	434	434	434
Nonconvertible Preferred Equity - End of Quarter					
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	3,390	3,390	3,390	3,390	3,390
Total Nonconvertible Preferred Equity	<u>7,590</u>	<u>7,590</u>	<u>7,590</u>	<u>7,590</u>	<u>7,590</u>
Convertible Preferred Equity					
Convertible Series K Shares Outstanding	<u>884</u>	<u>884</u>	<u>884</u>	<u>884</u>	<u>884</u>
Total Preferred Equity	<u>8,474</u>	<u>8,474</u>	<u>8,474</u>	<u>8,474</u>	<u>8,474</u>
Nonconvertible Preferred Equity (\$25 par value)					

Redeemable Series G Shares	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000
Redeemable Series H Shares	50,000	50,000	50,000	50,000	50,000
Redeemable Series J Shares	84,750	84,750	84,750	84,750	84,750
Total Nonconvertible Preferred Equity	\$ 189,750	\$ 189,750	\$ 189,750	\$ 189,750	\$ 189,750
Convertible Preferred Equity (\$25 liquidation value)					
Convertible Series I Units	\$ 8,800	\$ 8,800	\$ 8,800	\$ 8,800	\$ 8,800
Convertible Preferred Equity (\$50 liquidation value)					
Convertible Series K Shares	26,583	26,583	26,583	26,583	26,583
Total Convertible Preferred Equity	\$ 35,383	\$ 35,383	\$ 35,383	\$ 35,383	\$ 35,383
Total Liquidation Value of Preferred Equity	\$ 225,133	\$ 225,133	\$ 225,133	\$ 225,133	\$ 225,133

Weighted Average Shares for quarter ended:

Common Shares Outstanding	58,656	58,489	57,844	57,604	57,470
Dilutive effect of share-based compensation awards	296	421	364	413	485
Common Units	4,453	4,558	5,017	5,078	5,084
Denominator for funds from operations per share - diluted	63,405	63,468	63,225	63,095	63,039

Capitalization

Liquidation Value of Preferred Shares/Units	\$ 225,133	\$ 225,133	\$ 225,133	\$ 225,133	\$ 225,133
Market Value of Common Shares/Units	2,382,318	2,406,973	2,555,639	2,322,672	2,335,758
Total Equity Market Capitalization	\$ 2,607,451	\$ 2,632,107	\$ 2,780,772	\$ 2,547,805	\$ 2,560,891
Total Debt	\$ 2,468,419	\$ 2,182,375	\$ 2,107,131	\$ 2,053,841	\$ 1,897,852
Total Market Capitalization	\$ 5,075,870	\$ 4,814,482	\$ 4,887,903	\$ 4,601,646	\$ 4,458,743
Debt to Total Market Capitalization	48.6%	45.3%	43.1%	44.6%	42.6%
Debt to Total Assets	66.0%	62.9%	62.0%	60.8%	58.7%
Debt to Undepreciated Book Value of Real Estate Assets	62.5%	59.1%	58.5%	57.8%	56.7%

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Dividend Analysis

	Three Months Ended					Nine Months Ended	
	9/30/10	6/30/10	3/31/10	12/31/09	9/30/09	9/30/10	9/30/09
Common Share Dividends							
Dividends per share/unit	\$ 0.4125	\$ 0.3925	\$ 0.3925	\$ 0.3925	\$ 0.3925	\$ 1.1975	\$ 1.1375
Increase over prior period	5.1%	0.0%	0.0%	0.0%	5.4%	5.3%	8.1%
Common Dividend Payout Ratios							
Diluted FFO Payout, excluding operating property acquisition costs	71.3%	73.2%	75.2%	72.0%	65.8%	73.2%	58.9%
Diluted AFFO Payout	89.3%	92.6%	99.2%	110.9%	89.2%	93.4%	72.6%
Dividend Coverage - Diluted FFO, excluding operating property acquisition costs	1.40x	1.37x	1.33x	1.39x	1.52x	1.37x	1.70x
Dividend Coverage - Diluted AFFO	1.12x	1.08x	1.01x	0.90x	1.12x	1.07x	1.38x
Common Dividend Yields							
Dividend Yield at Quarter End	4.42%	4.16%	3.91%	4.29%	4.26%		
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 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							
Preferred Share Dividends Per Share	\$ 0.47656	\$ 0.47656	\$ 0.47656	\$ 0.47656	\$ 0.47656		
Preferred Share Dividend Yield	7.625%	7.625%	7.625%	7.625%	7.625%		
Quarter End Recorded Book Value	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00		
Series K Preferred Share Dividends							
Preferred Share Dividends Per Share	\$ 0.70000	\$ 0.70000	\$ 0.70000	\$ 0.70000	\$ 0.70000		
Preferred Share Dividend Yield	5.600%	5.600%	5.600%	5.600%	5.600%		
Quarter End Recorded Book Value	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00		

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**Investor Composition and Analyst Coverage
as of September 30, 2010**

	Common Shares	Common Units	As if Converted Preferred Shares / Units	Total	Diluted Ownership % of Total
SHAREHOLDER CLASSIFICATION					
Insiders	1,045,074	3,745,152	—	4,790,226	7.43%
Non-insiders	58,361,173	700,475	610,014	59,671,662	92.57%
	<u>59,406,247</u>	<u>4,445,627</u>	<u>610,014</u>	<u>64,461,888</u>	<u>100.00%</u>

	9/30/10	6/30/10	3/31/10	12/31/09	9/30/09
RESEARCH COVERAGE					
BMO Capital Markets	x	x	x	x	x
Citigroup Global Markets	x	x	x	x	x
Friedman Billings Ramsey & Co.	x	n/a	n/a	x	x
Green Street Advisors	x	x	x	x	x
ISI Group	x	x	x	x	x
Jeffries & Co.	x	n/a	n/a	n/a	n/a
JP Morgan	x	x	x	x	n/a
Keefe, Bruyette & Woods	x	n/a	n/a	n/a	n/a
KeyBanc Capital Markets	x	x	x	n/a	n/a
Macquarie Securities	x	x	x	n/a	x
Raymond James	x	x	x	x	x
RBC Capital Markets	x	x	x	x	x
Robert W. Baird & Co. Incorporated	x	x	x	x	x
Stifel, Nicolaus & Company, Incorporated	x	x	x	x	x
Wells Fargo Securities	x	x	x	x	x

**Office Property Summary by Region - September 30, 2010
Wholly Owned Properties**

Operating Property Count		Submarket	Business Park	Year Built or Renovated	S or M	Total Operational Square Feet	Total Square Feet Under Construction / Redevelopment
	Baltimore /Washington Corridor						
1	2730 Hercules Road	BWI Airport	NBP	1990	M	240,336	
2	300 Sentinel Drive (300 NBP)	BWI Airport	NBP	2009	M	192,562	
3	304 Sentinel Drive (304 NBP)	BWI Airport	NBP	2005	M	162,647	
4	306 Sentinel Drive (306 NBP)	BWI Airport	NBP	2006	M	155,883	
5	2720 Technology Drive (220 NBP)	BWI Airport	NBP	2004	M	156,730	
6	302 Sentinel Drive (302 NBP)	BWI Airport	NBP	2007	M	153,598	
7	2711 Technology Drive (211 NBP)	BWI Airport	NBP	2002	M	152,196	
8	320 Sentinel Way (320 NBP)	BWI Airport	NBP	2007	M	125,681	
9	318 Sentinel Way (318 NBP)	BWI Airport	NBP	2005	M	125,681	
10	322 Sentinel Way (322 NBP)	BWI Airport	NBP	2006	M	125,568	
11	324 Sentinel Drive (324 NBP)	BWI Airport	NBP	2010	M	125,118	
12	140 National Business Parkway	BWI Airport	NBP	2003	M	119,904	
13	132 National Business Parkway	BWI Airport	NBP	2000	M	118,598	
14	2721 Technology Drive (221 NBP)	BWI Airport	NBP	2000	M	118,093	
15	2701 Technology Drive (201 NBP)	BWI Airport	NBP	2001	M	117,450	
16	2691 Technology Drive (191 NBP)	BWI Airport	NBP	2005	M	103,683	
17	134 National Business Parkway	BWI Airport	NBP	1999	M	93,482	
18	135 National Business Parkway	BWI Airport	NBP	1998	M	87,422	
19	133 National Business Parkway	BWI Airport	NBP	1997	M	87,401	
20	141 National Business Parkway	BWI Airport	NBP	1990	M	87,206	
21	131 National Business Parkway	BWI Airport	NBP	1990	M	69,336	
22	114 National Business Parkway	BWI Airport	NBP	2002	S	9,908	
23	314 Sentinel Way (314 NBP)	BWI Airport	NBP	2008	S	4,462	
						<u>2,732,945</u>	<u>—</u>
1	1550 West Nursery Road	BWI Airport	APS	2009	M	162,101	
2	1306 Concourse Drive	BWI Airport	APS	1990	M	116,307	
3	1306 Concourse Drive	BWI Airport	APS	2002	M	101,792	
4	900 Elkridge Landing Road	BWI Airport	APS	1982	M	100,824	
5	880 Elkridge Landing Road	BWI Airport	APS	1981	M	99,524	
6	1199 Winterson Road	BWI Airport	APS	1988	M	96,636	
7	920 Elkridge Landing Road	BWI Airport	APS	1982	M	96,566	
8	1302 Concourse Drive	BWI Airport	APS	1996	M	84,053	
9	881 Elkridge Landing Road	BWI Airport	APS	1986	M	73,572	
10	1099 Winterson Road	BWI Airport	APS	1988	M	70,583	
11	1190 Winterson Road	BWI Airport	APS	1987	M	68,899	
12	849 International Drive	BWI Airport	APS	1988	M	68,768	
13	911 Elkridge Landing Road	BWI Airport	APS	1985	M	68,296	
14	1201 Winterson Road	BWI Airport	APS	1985	M	67,903	
15	999 Corporate Boulevard	BWI Airport	APS	2000	M	66,889	
16	901 Elkridge Landing Road	BWI Airport	APS	1984	M	58,035	
17	891 Elkridge Landing Road	BWI Airport	APS	1984	M	57,955	
18	800 International Drive	BWI Airport	APS	1988	S	57,379	
19	930 International Drive	BWI Airport	APS	1986	S	57,272	

20	900 International Drive	BWI Airport	APS	1986	S	57,140	
21	939 Elkridge Landing Road	BWI Airport	APS	1983	M	54,280	
22	921 Elkridge Landing Road	BWI Airport	APS	1983	M	54,175	
23	938 Elkridge Landing Road	BWI Airport	APS	1984	M	52,988	
24	870 Elkridge Landing Road	BWI Airport	APS	1981	S	5,627	
						1,797,564	—
1	7467 Ridge Road	BWI Airport	Comm./Pkwy.	1990	M	74,136	
2	7240 Parkway Drive	BWI Airport	Comm./Pkwy.	1985	M	74,153	
3	7272 Park Circle Drive	BWI Airport	Comm./Pkwy.	1991/1996	M	59,888	
4	7318 Parkway Drive	BWI Airport	Comm./Pkwy.	1984	S	59,204	
5	7320 Parkway Drive	BWI Airport	Comm./Pkwy.	1983	S	56,964	
6	1340 Ashton Road	BWI Airport	Comm./Pkwy.	1989	S	45,867	
7	1362 Mellon Road	BWI Airport	Comm./Pkwy.	2006	M	44,138	
8	1334 Ashton Road	BWI Airport	Comm./Pkwy.	1989	S	37,317	
9	1331 Ashton Road	BWI Airport	Comm./Pkwy.	1989	S	28,998	
10	1350 Dorsey Road	BWI Airport	Comm./Pkwy.	1989	S	18,698	
11	1344 Ashton Road	BWI Airport	Comm./Pkwy.	1989	M	16,964	
12	1341 Ashton Road	BWI Airport	Comm./Pkwy.	1989	S	15,947	
13	1343 Ashton Road	BWI Airport	Comm./Pkwy.	1989	S	9,903	
14	1348 Ashton Road	BWI Airport	Comm./Pkwy.	1988	S	3,108	
						545,285	—
61	Subtotal (continued on next page)					5,075,794	—

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

Operating Property Count		Submarket	Business Park	Year Built or Renovated	S or M	Total Operational Square Feet	Total Square Feet Under Construction / Redevelopment
61	Subtotal (continued from prior page)					5,075,794	—
1	5520 Research Park Drive (UMBC) (1)	BWI Airport	bwtech@UMBC	2009	M	103,990	
2	5522 Research Park Drive (UMBC) (1)	BWI Airport	bwtech@UMBC	2007	S	23,500	
						127,490	—
1	2500 Riva Road	Annapolis		2000	M	155,000	
1	Old Annapolis Road	Howard Co. Perimeter	Oakland Ridge	1985	M	171,436	
1	7125 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1973/1999	M	470,249	
2	7000 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1999	M	145,806	
3	6721 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2009	M	131,451	
4	6731 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2002	M	123,847	
5	6711 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2006-2007	M	123,599	
6	6940 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1999	M	108,822	
7	6950 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1998	M	112,861	
8	7067 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2001	M	86,027	
9	8621 Robert Fulton Drive	Howard Co. Perimeter	Columbia Gateway	2005-2006	M	86,033	
10	6750 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	2001	M	75,595	
11	6700 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	1988	M	76,347	
12	6740 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	1992	M	63,480	
13	7015 Albert Einstein Drive	Howard Co. Perimeter	Columbia Gateway	1999	S	61,203	
14	8671 Robert Fulton Drive	Howard Co. Perimeter	Columbia Gateway	2002	S	56,350	
15	6716 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	1990	M	52,131	
16	8661 Robert Fulton Drive	Howard Co. Perimeter	Columbia Gateway	2002	S	49,307	
17	7142 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1994	S	47,668	
18	7130 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1989	S	46,460	
19	6708 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	1988	M	39,203	
20	7065 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2000	S	38,560	
21	7138 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1990	S	38,225	
22	7063 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2000	S	36,472	
23	6760 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	1991	M	36,225	
24	7150 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1991	S	35,812	

25	7061 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2000	M	29,910	
26	6724 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	2001	M	28,107	
27	7134 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1990	S	21,991	
28	6741 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2008	S	4,592	
						<u>2,226,333</u>	—
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	61,984	
3	9140 Guilford Road	Howard Co. Perimeter	Rivers Corporate Park	1983	S	40,286	
4	7150 Riverwood Drive	Howard Co. Perimeter	Rivers Corporate Park	2000	M	39,496	
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	9150 Guilford Road	Howard Co. Perimeter	Rivers Corporate Park	1984	S	18,592	
8	10280 Old Columbia Road	Howard Co. Perimeter	Rivers Corporate Park	1988/2001	S	16,195	
9	10270 Old Columbia Road	Howard Co. Perimeter	Rivers Corporate Park	1988/2001	S	15,910	
10	9130 Guilford Road	Howard Co. Perimeter	Rivers Corporate Park	1984	S	13,700	
11	10290 Old Columbia Road	Howard Co. Perimeter	Rivers Corporate Park	1988/2001	S	10,263	
						<u>442,622</u>	—
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	31,220	
4	9730 Patuxent Woods Drive	Howard Co. Perimeter	Owen Brown South	1986/2001	M	30,485	
5	9710 Patuxent Woods Drive	Howard Co. Perimeter	Owen Brown South	1986/2001	M	14,778	
						<u>154,779</u>	—
1	9020 Mendenhall Court	Howard Co. Perimeter	Sieling Business Park	1982/2005	S	49,217	
110	Total Baltimore/Washington Corridor					<u>8,402,671</u>	—

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

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

<u>Operating Property Count</u>		<u>Submarket</u>	<u>Business Park</u>	<u>Year Built or Renovated</u>	<u>S or M</u>	<u>Total Operational Square Feet</u>	<u>Total Square Feet Under Construction / Redevelopment</u>
<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	58,676	
3	22299 Exploration Drive	St. Mary's County	Exploration Park	1998	M	58,363	
4	22300 Exploration Drive	St. Mary's County	Exploration Park	1997	M	44,830	
						<u>260,729</u>	—
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	59,483	
						<u>120,639</u>	—
1	44425 Pecan Court	St. Mary's County	Wildewood Tech Park	1997	M	58,981	
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	
						<u>235,866</u>	—
1	16480 Commerce Drive	King George County	Dahlgren Technology Center	2000	M	70,728	

1	1560 Cable Ranch Road - Building B	San Antonio Northwest	151 Technology Center	1985/2006	M	77,040	
2	1560 Cable Ranch Road - Building A	San Antonio Northwest	151 Technology Center	1985/2007	M	45,935	
						122,975	—
8	Total San Antonio, Texas					915,127	—
<u>Colorado Springs, Colorado</u>							
1	655 Space Center Drive	Colorado Springs East	Patriot Park	2008	M	103,970	
2	985 Space Center Drive	Colorado Springs East	Patriot Park	1989	M	104,028	
3	565 Space Center Drive	Colorado Springs East	Patriot Park	2009	M	89,899	
4	745 Space Center Drive	Colorado Springs East	Patriot Park	2006	M	51,500	
5	980 Technology Court	Colorado Springs East	Patriot Park	1995	S	33,207	
6	525 Babcock Road	Colorado Springs East	Patriot Park	1967	S	14,000	
						396,604	—
1	1055 North Newport Road	Colorado Springs East	Aerotech Commerce Park	2007-2008	M	59,763	
1	3535 Northrop Grumman Point	Colorado Springs East	Colorado Springs Airport	2008	M	124,305	
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	10807 New Allegiance Drive	I-25 North Corridor	InterQuest Office	2009	M	145,723	
2	12515 Academy Ridge View	I-25 North Corridor	InterQuest Office	2006	M	61,372	
3	9965 Federal Drive	I-25 North Corridor	InterQuest Office	1983/2007	M	74,749	
4	9945 Federal Drive	I-25 North Corridor	InterQuest Office	2009	S	74,005	
5	9950 Federal Drive	I-25 North Corridor	InterQuest Office	2001	S	66,223	
6	9925 Federal Drive	I-25 North Corridor	InterQuest Office	2008	S	53,788	
7	9960 Federal Drive	I-25 North Corridor	InterQuest Office	2001	S	46,948	
						522,808	—
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	103,400	
						322,054	—
21	Total Colorado Springs, Colorado					1,568,926	—
<u>Washington, DC - Capitol Riverfront</u>							
1	1201 M Street	Washington, DC - Capitol Riverfront		2001	M	161,165	
2	1220 12th Street	Washington, DC - Capitol Riverfront		2003	M	200,509	
	Total Washington, D.C. - Capitol Riverfront					361,674	—

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

<u>Operating Property Count</u>	<u>Submarket</u>	<u>Business Park</u>	<u>Year Built or Renovated</u>	<u>S or M</u>	<u>Total Operational Square Feet</u>	<u>Total Square Feet Under Construction / Redevelopment</u>
<u>Suburban Maryland</u>						
1	11800 Tech Road	North Silver Spring	Montgomery Industrial	1989	M	228,179
1	400 Professional Drive	Gaithersburg	Crown Point	2000	M	129,355
1	110 Thomas Johnson Drive	Frederick		1987/1999	M	122,490
1	45 West Gude Drive	Rockville		1987	M	108,466
2	15 West Gude Drive	Rockville		1986	M	106,694

						215,160	—
5	Total Suburban Maryland					695,184	—
	<u>Greater Baltimore</u>						
1	11311 McCormick Road	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1984/1994	M	215,844	
2	200 International Circle	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1987	M	125,734	
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	78,461	
5	11011 McCormick Road	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1974	M	57,550	
6	216 Schilling Circle	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1988/2001	M	36,273	
7	222 Schilling Circle	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1978/1997	M	28,618	
8	224 Schilling Circle	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1978/1997	M	27,574	
						668,694	—
1	10150 York Road	Hunt Valley/Rte 83 Corridor		1985	M	178,286	
2	9690 Deereco Road	Hunt Valley/Rte 83 Corridor		1988	M	134,268	
3	375 West Padonia Road	Hunt Valley/Rte 83 Corridor		1986	M	110,378	
						422,932	—
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	56,383	
4	7125 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1985	M	50,604	
5	7104 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1988	M	30,081	
6	17 Governor's Court	Baltimore County Westside	Rutherford Business Center	1981	S	14,454	
7	15 Governor's Court	Baltimore County Westside	Rutherford Business Center	1981	S	14,568	
8	7127 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1985	S	11,630	
9	7129 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1985	S	11,075	
10	7108 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1988	S	8,811	
11	7102 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1988	S	8,879	
12	7106 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1988	S	8,899	
13	7131 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1985	S	7,734	
						364,408	—
1	502 Washington Avenue	Towson		1984	M	90,604	
2	102 West Pennsylvania Avenue	Towson		1968/2001	M	49,754	
3	100 West Pennsylvania Avenue	Towson		1952/1989	M	20,094	
4	109-111 Allegheny Avenue	Towson		1971	M	18,431	
						178,883	—
1	1501 South Clinton Street	Baltimore	Canton Crossing	2006	M	474,637	
1	209 Research Boulevard	Harford County	Northgate Business Park	2010	M	41,907	36,596
30	Subtotal (continued on next page)					2,151,461	36,596

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)					2,151,461	—
1	4940 Campbell Boulevard	White Marsh	Campbell Corporate Center	1990	M	50,417	
1	8140 Corporate Drive	White Marsh	Corporate Place	2003	M	76,149	
2	8110 Corporate Drive	White Marsh	Corporate Place	2001	M	75,687	
						151,836	—
1	9910 Franklin Square Drive	White Marsh	Franklin Ridge	2005	S	56,271	

2	9920 Franklin Square Drive	White Marsh	Franklin Ridge	2006	S	42,767	
3	9930 Franklin Square Drive	White Marsh	Franklin Ridge	2001	S	39,750	
4	9900 Franklin Square Drive	White Marsh	Franklin Ridge	1999	S	33,801	
5	9940 Franklin Square Drive	White Marsh	Franklin Ridge	2000	S	32,242	
						204,831	—
1	8020 Corporate Drive	White Marsh	McLean Ridge	1997	S	50,796	
2	8094 Sandpiper Circle	White Marsh	McLean Ridge	1998	S	49,585	
3	8098 Sandpiper Circle	White Marsh	McLean Ridge	1998	S	47,680	
4	8010 Corporate Drive	White Marsh	McLean Ridge	1998	S	38,487	
						186,548	—
1	5355 Nottingham Ridge Road	White Marsh	Nottingham Ridge	2005	S	35,927	
2	5325 Nottingham Ridge Road	White Marsh	Nottingham Ridge	2002	S	35,678	
						71,605	—
1	7941-7949 Corporate Drive	White Marsh	Tyler Ridge	1996	S	58,287	
2	8007 Corporate Drive	White Marsh	Tyler Ridge	1995	S	41,810	
3	8019 Corporate Drive	White Marsh	Tyler Ridge	1990	S	33,274	
4	8013 Corporate Drive	White Marsh	Tyler Ridge	1990	S	30,003	
5	8003 Corporate Drive	White Marsh	Tyler Ridge	1999	S	17,599	
6	8015 Corporate Drive	White Marsh	Tyler Ridge	1990	S	15,669	
7	8023 Corporate Drive	White Marsh	Tyler Ridge	1990	S	9,486	
						206,128	—
1	5020 Campbell Boulevard	White Marsh	White Marsh Business Center	1986-1988	S	43,791	
2	5024 Campbell Boulevard	White Marsh	White Marsh Business Center	1986-1988	S	33,710	
3	5026 Campbell Boulevard	White Marsh	White Marsh Business Center	1986-1988	S	30,163	
4	5022 Campbell Boulevard	White Marsh	White Marsh Business Center	1986-1988	S	26,747	
						134,411	—
1	10001 Franklin Square Drive	White Marsh	White Marsh Commerce Center	1997	S	218,215	
1	8114 Sandpiper Circle	White Marsh	White Marsh Health Center	1986	S	45,806	
1	4979 Mercantile Road	White Marsh	White Marsh Hi-Tech Center	1985	S	51,198	
2	4969 Mercantile Road	White Marsh	White Marsh Hi-Tech Center	1983	S	47,132	
						98,330	—
1	7939 Honeygo Boulevard	White Marsh	White Marsh Professional Center	1984	M	28,206	
2	8133 Perry Hall Boulevard	White Marsh	White Marsh Professional Center	1988	M	27,994	
3	7923 Honeygo Boulevard	White Marsh	White Marsh Professional Center	1985	M	23,482	
						79,682	—
1	8031 Corporate Drive	White Marsh		1988/2004	S	66,000	
2	8615 Ridgely's Choice Drive	White Marsh		2005	M	37,764	
3	8029 Corporate Drive	White Marsh		1988/2004	S	25,000	
						128,764	—
65	Total Greater Baltimore					3,728,034	—
249	TOTAL WHOLLY-OWNED OFFICE PROPERTY PORTFOLIO					19,928,686	594,388

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

**Property Summary by Region - September 30, 2010
Joint Venture Office Properties**

<u>Operating Property Count</u>	<u>Submarket</u>	<u>Business Park</u>	<u>Year Built or Renovated</u>	<u>S or M</u>	<u>Total Operational Square Feet</u>	<u>Total Square Feet Under Construction / Redevelopment</u>
Unconsolidated Joint Venture Office 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	46,589
5	6385 Flank Drive	East Shore	Gtwy Corp. Ctr.	1995	S	32,671
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	
						409,519	—
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	31,710	
3	5070 Ritter Road - Building B	West Shore	Rossmoyne Bus. Ctr.	1989	S	28,347	
						116,613	—
16	Total Greater Harrisburg					670,999	—
16	Total Unconsolidated Joint Venture Office Properties					670,999	—
	Consolidated Joint Venture Office Properties						
	<u>Suburban Maryland</u>						
1	5825 University Research Court	College Park	M Square Business Park	2008	M	118,528	
2	5850 University Research Court	College Park	M Square Business Park	2009	M	123,464	
						241,992	—
1	4230 Forbes Boulevard	Lanham	Forbes 50	2003	S	55,866	
3	Total Suburban Maryland					297,858	—
	<u>Baltimore/Washington Corridor</u>						
1	7740 Milestone Parkway	BWI Airport	Arundel Preserve	2007	M	143,939	
						143,939	—
4	Total Consolidated Joint Venture Properties					441,797	—
20	TOTAL JOINT VENTURE OFFICE PROPERTY PORTFOLIO					1,112,796	—

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

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

	Baltimore / Washington Corridor	Northern Virginia	Greater Baltimore	Suburban Maryland	St. Mary's & King George Counties	Colorado Springs	San Antonio	Greater Philadelphia	Washington, DC Capitol Riverfront	Other	Total Portfolio
September 30, 2010											
Number of Buildings	110	16	65	5	18	21	8	2	2	2	249
Rentable Square Feet	8,402,671	2,763,656	3,728,034	695,184	821,812	1,568,926	915,127	375,760	361,674	295,842	19,928,686
Occupied %	89.1%	91.9%	80.4%	72.5%	89.2%	76.7%	100.0%	100.0%	99.6%	100.0%	87.4%
Leased %	90.3%	93.2%	83.5%	73.3%	89.7%	76.7%	100.0%	100.0%	99.6%	100.0%	88.7%
June 30, 2010											
Number of Buildings	109	16	64	5	18	21	6	4	0	4	247
Rentable Square Feet	8,168,938	2,764,708	3,687,629	695,184	821,812	1,571,462	665,117	615,397	—	497,042	19,487,289
Occupied %	89.6%	96.0%	81.2%	70.7%	96.0%	75.1%	100.0%	100.0%	0.0%	100.0%	88.3%
Leased %	90.6%	96.4%	83.4%	71.8%	96.0%	75.9%	100.0%	100.0%	0.0%	100.0%	89.3%
March 31, 2010											
Number of Buildings	109	15	63	5	18	21	6	3	—	4	244
Rentable Square Feet	8,117,503	2,611,980	3,650,487	695,307	821,812	1,384,554	665,117	458,702	—	497,042	18,902,504
Occupied %	89.4%	96.4%	81.3%	86.2%	94.5%	86.3%	100.0%	100.0%	0.0%	100.0%	89.6%
Leased %	90.8%	96.8%	81.4%	86.2%	94.5%	86.3%	100.0%	100.0%	0.0%	100.0%	90.3%
December 31, 2009											
Number of Buildings	109	15	64	5	18	21	6	3	—	4	245
Rentable Square Feet	8,277,178	2,613,077	3,672,756	695,307	821,812	1,384,554	665,117	458,702	—	497,042	19,085,545
Occupied %	91.6%	96.6%	80.3%	91.9%	97.8%	85.8%	100.0%	100.0%	0.0%	100.0%	90.8%
Leased %	92.5%	96.8%	81.0%	91.9%	98.0%	86.1%	100.0%	100.0%	0.0%	100.0%	91.3%
September 30, 2009											
Number of Buildings	107	15	63	5	18	21	6	3	—	4	242
Rentable Square Feet	8,109,624	2,613,077	3,198,083	695,307	821,812	1,375,028	665,117	458,702	—	497,042	18,433,792
Occupied %	90.6%	97.0%	82.0%	92.0%	97.3%	87.1%	100.0%	100.0%	0.0%	100.0%	91.0%
Leased %	91.3%	97.1%	82.7%	92.3%	97.8%	87.2%	100.0%	100.0%	0.0%	100.0%	91.4%

Property Occupancy Rates by Region by Quarter

Joint Venture Office Properties

	<u>Unconsolidated</u>	<u>Consolidated</u>		<u>Total Portfolio</u>
	<u>Greater Harrisburg</u>	<u>Baltimore/Wash Corridor</u>	<u>Suburban Maryland</u>	
September 30, 2010				
Number of Buildings	16	1	3	20
Rentable Square Feet	670,999	143,939	297,858	1,112,796
Occupied %	73.8 %	6.0 %	88.3 %	68.9 %
Leased %	73.8 %	6.0 %	90.1 %	69.4 %
June 30, 2010				
Number of Buildings	16	1	3	20
Rentable Square Feet	670,999	143,939	297,858	1,112,796
Occupied %	76.4 %	6.0 %	86.2 %	69.9 %
Leased %	76.4 %	6.0 %	90.0 %	70.9 %
March 31, 2010				
Number of Buildings	16	1	3	20
Rentable Square Feet	670,999	143,939	297,858	1,112,796
Occupied %	76.4 %	6.0 %	84.1 %	69.4 %
Leased %	76.4 %	6.0 %	90.1 %	71.0 %
December 31, 2009				
Number of Buildings	16	1	3	20
Rentable Square Feet	670,999	143,939	297,866	1,112,804
Occupied %	79.0 %	6.0 %	84.1 %	70.9 %
Leased %	79.0 %	6.0 %	84.1 %	70.9 %
September 30, 2009				
Number of Buildings	16	1	2	19
Rentable Square Feet	670,999	143,939	174,402	989,340
Occupied %	79.8 %	6.0 %	69.4 %	67.2 %
Leased %	79.8 %	6.0 %	75.8 %	68.3 %

Reconciliation of Wholly Owned Properties to Entire Portfolio as of September 30, 2010

	<u>Count</u>	<u>Square Feet</u>	<u>Occupied %</u>	<u>Leased %</u>
Wholly Owned Properties	249	19,928,686	87.4 %	88.7 %
Add: Consolidated Joint Venture Properties	4	441,797	61.5 %	62.7 %
Subtotal	253	20,370,483	86.8 %	88.1 %
Add: Unconsolidated Joint Venture Properties	16	670,999	73.8 %	73.8 %
Entire Portfolio	269	21,041,482	86.4 %	87.6 %

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Top Twenty Tenants of Wholly Owned Office Properties as of September 30, 2010 (1)
(Dollars in thousands)

<u>Tenant</u>	<u>Number of Leases</u>	<u>Total Occupied Square Feet</u>	<u>Percentage of Total Occupied Square Feet</u>	<u>Total Annualized Rental Revenue (2) (3)</u>	<u>Percentage of Total Annualized Rental Revenue</u>	<u>Weighted Average Remaining Lease Term (4)</u>
United States of America (5)	75	3,125,009	17.9 %	91,503	20.6 %	5.9
Northrop Grumman Corporation (6)	16	1,229,313	7.1 %	31,735	7.2 %	6.6
Booz Allen Hamilton, Inc.	8	726,070	4.2 %	21,246	4.8 %	4.8
Computer Sciences Corporation (6)	6	612,024	3.5 %	18,733	4.2 %	3.1
The MITRE Corporation	4	261,474	1.5 %	8,366	1.9 %	4.6
ITT Corporation (6)	9	333,169	1.9 %	7,960	1.8 %	4.2
The Aerospace Corporation (6)	3	247,253	1.4 %	7,728	1.7 %	4.4
Wells Fargo & Company (6)	6	215,673	1.2 %	7,479	1.7 %	7.6
L-3 Communications Holdings, Inc. (6)	4	256,120	1.5 %	7,344	1.7 %	3.5
CareFirst, Inc.	2	221,893	1.3 %	7,229	1.6 %	6.0
Integral Systems, Inc. (6)	4	241,627	1.4 %	6,205	1.4 %	9.4
Comcast Corporation (6)	7	306,123	1.8 %	6,100	1.4 %	3.0
AT&T Corporation (6)	5	321,063	1.8 %	5,490	1.2 %	8.1
The Boeing Company (6)	4	161,591	0.9 %	5,027	1.1 %	3.1
Ciena Corporation	5	263,724	1.5 %	4,956	1.1 %	2.5
General Dynamics Corporation (6)	5	175,716	1.0 %	4,859	1.1 %	0.6
Unisys Corporation	1	156,695	0.9 %	4,143	0.9 %	9.7
The Johns Hopkins Institutions (6)	5	139,295	0.8 %	3,507	0.8 %	6.1
Merck & Co., Inc. (6)	2	225,900	1.3 %	2,945	0.7 %	1.8
Magellan Health Services, Inc. (6)	2	118,801	0.7 %	2,755	0.6 %	0.8

Subtotal Top 20 Office Tenants	173	9,338,533	53.6 %	255,310	57.5 %	5.4
All remaining tenants	706	8,074,097	46.4 %	188,337	42.5 %	3.8
Total/Weighted Average	<u>879</u>	<u>17,412,630</u>	<u>100.0 %</u>	<u>\$ 443,647</u>	<u>100.0 %</u>	<u>4.7</u>

- (1) Table excludes owner occupied leasing activity which represents 170,999 square feet with total annualized rental revenue of \$4,039 and a weighted average remaining lease term of 5.1 years as of September 30, 2010.
- (2) Total Annualized Rental Revenue is the monthly contractual base rent as of September 30, 2010, multiplied by 12, plus the estimated annualized expense reimbursements under existing office leases.
- (3) Order of tenants is based on Total Annualized Rental Revenue.
- (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.

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

	Number of Buildings	Rentable Square Feet	Three Months Ended				Nine Months Ended		
			9/30/10	6/30/10	3/31/10	12/31/09	9/30/09	9/30/10	
Baltimore Washington Corridor	105	7,687,449	89.5%	89.9%	90.1%	91.7%	91.9%	89.8%	92.6%
Northern Virginia	15	2,611,651	91.6%	96.2%	96.6%	96.9%	96.3%	94.8%	95.8%
Greater Baltimore	62	3,175,563	79.9%	80.2%	79.7%	78.8%	82.5%	79.9%	82.6%
Suburban Maryland	6	751,050	75.9%	72.1%	90.0%	91.6%	91.2%	78.3%	94.6%
St. Mary's and King George Counties	18	821,812	93.3%	95.3%	94.8%	97.8%	97.0%	94.5%	96.3%
Colorado Springs	16	1,144,139	88.2%	90.0%	90.4%	89.9%	90.4%	89.5%	92.9%
San Antonio	5	640,061	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Greater Philadelphia	1	219,065	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Other	2	295,842	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Office	230	17,346,632	88.1 %	89.2 %	90.1 %	90.9 %	91.5 %	89.1 %	92.0 %

- (1) Same office properties represent buildings owned and 100% operational since January 1, 2009.

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Lease Expiration Analysis by Year for Wholly Owned Office Properties As of September 30, 2010 (1)

Year and Region of Lease Expiration (2)	Number of Leases Expiring	Square Footage of Leases Expiring	Percentage of Period's Expiring Square Feet	Percentage of Total Occupied Square Feet	Total Annualized Rental Revenue of Expiring Leases (3) (000's)	Percentage of Total Annualized Rental Revenue Expiring	Total Annual. Rental Revenue of Expiring Leases per Occupied Square Foot
Baltimore/Washington Corridor	22	381,144	43.0 %	2.2 %	\$ 9,969	2.2 %	\$ 26.15
Northern Virginia	5	171,020	19.3 %	1.0 %	3,994	0.9 %	23.36
Greater Baltimore	27	228,916	25.8 %	1.3 %	4,384	1.0 %	19.15
Suburban Maryland	1	2,457	0.3 %	0.0 %	35	0.0 %	14.39
St. Mary's and King George Cos.	7	91,764	10.3 %	0.5 %	1,901	0.4 %	20.72
Colorado Springs	1	2,930	0.3 %	0.0 %	57	0.0 %	19.48
Washington, DC-Capitol Riverfront	3	8,583	1.0 %	0.0 %	385	0.1 %	44.87
2010	66	886,814	100.0 %	5.1 %	20,726	4.7 %	23.37
Baltimore/Washington Corridor	56	880,043	43.7 %	5.1 %	21,938	4.9 %	24.93
Northern Virginia	8	306,302	15.2 %	1.8 %	7,485	1.7 %	24.44
Greater Baltimore	70	436,306	21.7 %	2.5 %	9,227	2.1 %	21.15
Suburban Maryland	3	82,938	4.1 %	0.5 %	2,319	0.5 %	27.96
St. Mary's and King George Cos.	8	73,302	3.6 %	0.4 %	1,282	0.3 %	17.49
Colorado Springs	9	143,040	7.1 %	0.8 %	2,590	0.6 %	18.11

Washington, DC- Capitol Riverfront	8	89,836	4.5 %	0.5%	4,228	1.0%	47.06
2011	162	2,011,767	100.0 %	11.6%	49,070	11.1 %	24.39
Baltimore/Washington Corridor	46	1,109,850	40.4%	6.4%	28,814	6.5 %	25.96
Northern Virginia	19	317,246	11.6%	1.8%	10,074	2.3 %	31.75
Greater Baltimore	49	626,600	22.8%	3.6%	12,887	2.9 %	20.57
Suburban Maryland	3	28,835	1.1 %	0.2%	639	0.1 %	22.15
St. Mary's and King George Cos.	12	287,818	10.5 %	1.7%	5,338	1.2 %	18.55
Greater Philadelphia	1	219,065	8.0 %	1.3%	2,783	0.6 %	12.71
Colorado Springs	7	74,841	2.7 %	0.4%	1,572	0.4 %	21.00
San Antonio	2	78,359	2.9 %	0.5%	1,359	0.3 %	17.34
Washington, DC- Capitol Riverfront	1	1,608	0.1 %	0.0%	76	0.0%	47.24
2012	140	2,744,222	100.0 %	15.8%	63,542	14.3 %	23.15
Baltimore/Washington Corridor	54	1,111,400	54.2%	6.4%	34,223	7.7 %	30.79
Northern Virginia	11	151,741	7.4 %	0.9%	4,407	1.0%	29.04
Greater Baltimore	39	416,923	20.3%	2.4%	8,236	1.9 %	19.75
Suburban Maryland	2	8,861	0.4 %	0.1%	250	0.1 %	28.19
St. Mary's and King George Cos.	7	109,245	5.3 %	0.6%	1,874	0.4 %	17.15
Colorado Springs	6	121,532	5.9 %	0.7%	2,385	0.5 %	19.62
Washington, DC- Capitol Riverfront	4	130,026	6.3 %	0.7%	5,532	1.2 %	42.54
2013	123	2,049,728	100.0 %	11.8%	56,906	12.8 %	27.76
Baltimore/Washington Corridor	41	655,240	39.1%	3.8%	17,778	4.0%	27.13
Northern Virginia	6	293,377	17.5%	1.7%	9,245	2.1 %	31.51
Greater Baltimore	29	301,056	18.0%	1.7%	5,342	1.2 %	17.74
Suburban Maryland	5	129,865	7.8 %	0.7%	2,615	0.6 %	20.14
St. Mary's and King George Cos.	8	40,373	2.4 %	0.2%	908	0.2 %	22.49
Colorado Springs	10	182,686	10.9%	1.0%	3,634	0.8 %	19.89
Washington, DC- Capitol Riverfront	6	71,562	4.3 %	0.4%	3,049	0.7 %	42.61
2014	105	1,674,159	100.0 %	9.6%	42,572	9.6 %	25.43
Baltimore/Washington Corridor	120	3,327,034	41.7%	19.1%	86,397	19.5%	25.97
Northern Virginia	27	1,299,889	16.3%	7.5%	40,354	9.1 %	31.04
Greater Baltimore	78	984,606	12.4%	5.7%	26,450	6.0%	26.86
Suburban Maryland	5	250,875	3.1 %	1.4%	5,518	1.2 %	22.00
St. Mary's and King George Cos.	9	82,158	1.0%	0.5%	1,405	0.3 %	17.10
Greater Philadelphia	1	156,695	2.0%	0.9%	4,143	0.9 %	26.44
Colorado Springs	19	677,777	8.5 %	3.9%	13,599	3.1 %	20.06
San Antonio	6	836,768	10.5%	4.8%	20,425	4.6 %	24.41
Washington, DC- Capitol Riverfront	4	58,681	0.7 %	0.3%	2,490	0.6 %	42.43
Other	2	295,842	3.7 %	1.7%	8,988	2.0%	30.38
Thereafter	271	7,970,325	100.0 %	45.8%	209,769	47.3 %	26.32
Other (4)	12	75,615	100.0 %	0.4%	1,063	0.2 %	14.06
Total / Average	879	17,412,630	100.0 %	\$ 443,647	100.0 %	\$ 25.48	

NOTE: As of September 30, 2010, the weighted average lease term for the wholly owned office properties is 4.7 years.

- (1) This expiration analysis includes the effect of early renewals completed on existing leases but excludes the effect of new tenant leases on 255,894 square feet yet to commence as of September 30, 2010.
- (2) 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.
- (3) Total Annualized Rental Revenue is the monthly contractual base rent as of September 30, 2010 multiplied by 12 plus the estimated annualized expense reimbursements under existing office leases.
- (4) 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.

Renewal Analysis for Wholly Owned Operating Office Properties for Periods Ended September 30, 2010

	Baltimore/ Washington Corridor	Northern Virginia	Greater Baltimore	Suburban Maryland	St. Mary's and King George Counties	Colorado Springs	Other	Total Office
Quarter Ended September 30, 2010:								
Expiring Square Feet	279,186	191,749	113,183	—	100,022	106,217	—	790,357
Vacated Square Feet	98,795	161,433	30,295	—	50,532	21,453	—	362,508
Renewed Square Feet	180,391	30,316	82,888	—	49,490	84,764	—	427,849
Retention Rate (% based upon square feet)	64.6%	15.8%	73.2%	0.0%	49.5%	79.8%	0.0%	54.1%

Renewed Space Only:

Average Committed Cost per Square Foot	\$ 4.16	\$ 3.88	\$ 2.44	\$ —	\$ 0.25	\$ 5.51	\$ —	\$ 3.62
Weighted Average Lease Term in years	5.4	3.3	5.7	—	5.0	6.1	—	5.4
Change in Total Rent - GAAP	5.1%	-30.7%	2.1%	0.0%	18.3%	-2.3%	0.0%	-0.7%
Change in Total Rent - Cash	-2.7%	-35.5%	-11.5%	0.0%	1.5%	-4.3%	0.0%	-8.9%

Renewed & Retenanted Space:

Average Committed Cost per Square Foot	\$ 9.58	\$ 8.45	\$ 4.58	\$ —	\$ 0.25	\$ 10.48	\$ —	\$ 7.92
Weighted Average Lease Term in years	5.8	4.5	5.7	—	5.0	5.9	—	5.6
Change in Total Rent - GAAP	0.5%	-26.1%	1.0%	0.0%	18.3%	-0.5%	0.0%	-2.1%
Change in Total Rent - Cash	-6.9%	-33.6%	-11.6%	0.0%	1.5%	-3.3%	0.0%	-10.3%

Nine Months Ended September 30, 2010:

Expiring Square Feet	1,028,019	561,958	248,461	278,135	135,959	117,192	3,706	2,373,430
Vacated Square Feet	402,975	216,465	81,654	186,952	79,248	27,345	3,706	998,345
Renewed Square Feet	625,044	345,493	166,807	91,183	56,711	89,847	—	1,375,085
Retention Rate (% based upon square feet)	60.8%	61.5%	67.1%	32.8%	41.7%	76.7%	0.0%	57.9%

Renewed Space Only:

Average Committed Cost per Square Foot	\$ 6.52	\$ 3.89	\$ 3.75	\$ 0.82	\$ 1.93	\$ 5.20	\$ —	\$ 4.87
Weighted Average Lease Term in years	3.5	2.0	5.0	4.1	5.0	5.8	—	3.5
Change in Total Rent - GAAP	7.4%	-4.9%	0.7%	0.1%	16.5%	-1.5%	0.0%	2.4%
Change in Total Rent - Cash	-1.8%	-10.7%	-9.9%	-9.7%	0.9%	-3.8%	0.0%	-5.8%

Renewed & Retenanted Space:

Average Committed Cost per Square Foot	\$ 9.36	\$ 8.76	\$ 12.70	\$ 0.08	\$ 1.82	\$ 10.00	\$ —	\$ 9.08
Weighted Average Lease Term in years	3.9	3.0	5.8	4.1	4.9	5.7	—	4.1
Change in Total Rent - GAAP	4.5%	-5.3%	-1.2%	0.1%	16.5%	0.1%	0.0%	0.6%
Change in Total Rent - Cash	-4.1%	-11.3%	-9.9%	-9.7%	1.8%	-3.0%	0.0%	-7.1%

Notes: No renewal or retenanting activity transpired in our San Antonio or Greater Philadelphia regions. Activity is exclusive of owner occupied space and leases with less than a one-year term. Retention rate includes early renewals.

Office Property Development Summary as of September 30, 2010
(Dollars in thousands)

Property and Location	Submarket	Wholly Owned or Joint Venture (JV)	Total Rentable Square Feet	Percentage Leased as of 9/30/10	as of September 30, 2010		Actual or Anticipated Construction Completion Date (2)	Anticipated Operational Date (3)
					Anticipated Total Cost (1)	Cost to date		
Under Construction								
316 Sentinel Way (316 NBP) Annapolis Junction, Maryland	BWI Airport	Owned	125,044	0%	28,885	21,652	1Q 11	1Q 12
Subtotal Government			125,044	0%	\$ 28,885	\$ 21,652		
% of Total Drivers			15%					
308 Sentinel Drive (308 NBP) Annapolis Junction, Maryland	BWI Airport	Owned	150,843	98%	32,578	23,814	3Q 10	1Q 11
430 National Business Parkway Annapolis Junction, Maryland	BWI Airport	Owned	109,341	0%	24,942	8,595	2Q 11	2Q 12
206 Research Boulevard Aberdeen, Maryland	Harford County	Owned	127,300	0%	25,139	6,813	3Q 11	3Q 12
209 Research Boulevard (4) Aberdeen, Maryland	Harford County	Owned	78,503	100%	18,378	15,819	2Q 10	2Q 11
210 Research Boulevard Aberdeen, Maryland	Harford County	Owned	79,616	35%	16,673	12,727	4Q 10	4Q 11
45310 Abell House Lane California, MD	St. Mary's County	Owned	80,205	100%	18,080	3,863	3Q 11	4Q 11
100 Sentry Gateway San Antonio, Texas	San Antonio Northwest	Owned	94,550	0%	15,433	9,971	4Q 10	4Q 11
Subtotal Defense Information Technology			720,358	46%	\$ 151,223	\$ 81,602		
% of Total Drivers			85%					

Total Under Construction	845,402	40 %	\$ 180,108	\$ 103,254
Regions	% of Total Regions	Total Rentable Square Feet	Percentage Leased	
Baltimore/Washington Corridor	46 %	385,228	38 %	
Greater Baltimore	34 %	285,419	37 %	
St. Mary's County	9 %	80,205	100 %	
San Antonio	11 %	94,550	0 %	
Total Under Construction by Region	100 %	845,402	40 %	

- (1) Anticipated Total Cost includes land, construction and leasing costs.
- (2) Actual or anticipated construction completion date is the estimated date of completion of the building shell.
- (3) Anticipated operational date is the estimated date when leases have commenced on 100% of a property's space or one year from the cessation of major construction activities.
- (4) Although classified as "Under Construction," 41,907 square feet are operational.

Demand Driver Categories (as classified by COPT management):

Defense Information Technology: Development opportunity created through our current and future relationships with defense information technology contractors and, possibly, minor Government tenancy.

Government: Development opportunity created through our existing and future relationship with various agencies of the government of the United States of America. Excludes Government tenancy included in Defense Information Technology.

Market Demand: Development opportunity created through perceived unfulfilled space requirements within a specific submarket; potential submarket demand exceeds existing supply.

Research Park: Development opportunity created through specific research park relationship.

Property and Location	Submarket	Wholly Owned or Joint Venture (JV)	Total Rentable Square Feet	Percentage Leased as of 9/30/10	Anticipated Total Cost (1)	Cost to date	Actual or Anticipated Construction Completion Date (2)	Anticipated Operational Date (3)
Redevelopment								
7468 Candlewood Road Hanover, Maryland	BWI Airport	Owned	357,700	0 %	\$ 41,103	\$ 38,994	4Q 10	4Q 11
Subtotal Baltimore/Washington Corridor			357,700		\$ 41,103	\$ 38,994		
760 Jolly Road (Lakeside I) Blue Bell, PA (4)	Greater Philadelphia	Owned	218,653	72 %	30,325	25,526	3Q 10	3Q 11
Subtotal Greater Philadelphia			218,653		\$ 30,325	\$ 25,526		
Total Redevelopment			576,353		\$ 71,428	\$ 64,520		
Under Development								
312 Sentinel Way Annapolis Junction, Maryland	BWI Airport	Owned	125,000		32,800	5,620	1Q 12	1Q 13
7205 Riverwood Road Columbia, Maryland	Howard Co. Perimeter	Owned	86,000		19,200	2,697	4Q 11	4Q 12
Subtotal Government			211,000		\$ 52,000	\$ 8,317		
% of Total Drivers			15 %					
310 Sentinel Way Annapolis Junction, Maryland	BWI Airport	Owned	240,000		66,960	3,306	1Q 13	1Q 14
410 National Business Parkway Annapolis Junction, Maryland	BWI Airport	Owned	110,000		27,100	3,943	4Q 11	4Q 12
202 Research Boulevard (Lot H) Aberdeen, Maryland	Harford County	Owned	127,530		26,100	4,056	1Q 12	1Q 13
Patriot Ridge (Building 1) Springfield, Virginia	Springfield	Owned	240,000		78,820	6,387	2Q 12	2Q 13
Sentry Gateway (Building 200) San Antonio, Texas	San Antonio Northwest	Owned	93,830		15,800	2,034	3Q 12	3Q 13
8100 Potranco Road San Antonio, Texas	San Antonio Northwest	Owned	125,000		24,400	3,264	4Q 12	3Q 13
Redstone Gateway (Building 1) Huntsville, Alabama	Huntsville	JV	120,000		24,200	575	4Q 11	4Q 12
Redstone Gateway (Building 2) Huntsville, Alabama	Huntsville	JV	120,000		24,200	400	2Q 12	2Q 13
Subtotal Defense Information Technology			1,176,360		\$ 287,580	\$ 23,965		
% of Total Drivers			85 %					
Total Under Development			1,387,360		\$ 339,580	\$ 32,282		

Regions	% of Total Regions	Total Rentable Square Feet
Baltimore/Washington Corridor	40 %	561,000
Greater Baltimore	9 %	127,530
Northern Virginia	17 %	240,000
San Antonio	16 %	218,830
Huntsville	17 %	240,000

Total Under Development by Region

100 % **1,387,360**

- (1) Anticipated Total Cost includes land, construction and leasing costs, except for properties previously operated prior to placing into redevelopment, in which case only incremental costs of redevelopment are included.
- (2) Actual or anticipated construction completion date is the estimated date of completion of the building shell.
- (3) Anticipated operational date is the estimated date when leases have commenced on 100% of a property's space or one year from the cessation of major construction activities.
- (4) Although classified as "Under Redevelopment", 156,695 square feet are operational.

Demand Driver Categories (as classified by COPT management):

Defense Information Technology: Development opportunity created through our current and future relationships with defense information technology contractors and, possibly, minor Government tenancy.

Government: Development opportunity created through our existing and future relationship with various agencies of the government of the United States of America. Excludes Government tenancy included in Defense Information Technology.

Market Demand: Development opportunity created through perceived unfulfilled space requirements within a specific submarket; potential submarket demand exceeds existing supply.

Research Park: Development opportunity created through a specific research park relationship.

Office Property Construction Placed into Service as of September 30, 2010 (1)

Property and Location	Submarket	Wholly Owned or Joint Venture (JV)	Total Rentable Square Feet	Development Square Feet Placed Into Service				Total Rentable Square Feet Leased
				Year 2009	Year 2010 1st Quarter	2nd Quarter	3rd Quarter	
10807 New Allegiance Drive (Epic One) Colorado Springs, Colorado	I-25 North Corridor	Owned	145,723	46,765	—	98,958	—	59,993
565 Space Center Drive (Patriot Park 7) Colorado Springs, Colorado	Colorado Springs East	Owned	89,899	1,949	—	87,950	—	1,949
300 Sentinel Drive (300 NBP) Annapolis Junction, Maryland	BWI Airport	Owned	192,754	45,422	3,617	31,202	112,513	155,093
209 Research Boulevard Aberdeen, Maryland	Harford County	Owned	78,503	—	—	36,862	5,045	78,503
324 Sentinel Way (324 NBP) Annapolis Junction, Maryland	BWI Airport	Owned	125,129	—	—	—	125,129	125,129
8000 Potranco Road San Antonio, Texas	San Antonio Northwest	Owned	125,005	—	—	—	125,005	125,005
8030 Potranco Road San Antonio, Texas	San Antonio Northwest	Owned	125,005	—	—	—	125,005	125,005
Total Development Placed Into Service			882,018	94,136	3,617	254,972	492,697	670,677

76%

(1) Includes properties with space placed in service during the nine months ended September 30, 2010.

Office Property Construction Leasing as of September 30, 2010 (1)

Property and Location	Submarket	Wholly Owned or Joint Venture (JV)	Total Rentable Square Feet	Construction Commencement Date	Cumulative Square Feet Leased			
					Year 2009	1st Quarter	2nd Quarter	3rd Quarter
324 Sentinel Way (324 NBP) Annapolis Junction, Maryland	BWI Airport	Owned	125,129	1Q 09	—	125,129	125,129	125,129
5850 University Research Court College Park, Maryland	College Park	JV	123,464	3Q 08	123,464	123,464	123,464	123,464
8000 Potranco Road San Antonio, Texas	San Antonio Northwest	Owned	125,005	1Q 09	—	125,005	125,005	125,005
8030 Potranco Road San Antonio, Texas	San Antonio Northwest	Owned	125,005	1Q 09	—	125,005	125,005	125,005
Subtotal Government			498,603		123,464	498,603	498,603	498,603
					25%	100%	100%	100%
300 Sentinel Drive (300 NBP) Annapolis Junction, Maryland	BWI Airport	Owned	192,754	1Q 08	85,700	124,029	155,093	155,093
308 Sentinel Drive (308 NBP) Annapolis Junction, Maryland	BWI Airport	Owned	150,843	3Q 09	—	—	27,281	147,810
6721 Columbia Gateway Drive Columbia, Maryland	Howard Co. Perimeter	Owned	131,451	1Q 08	131,451	131,451	131,451	131,451
209 Research Boulevard Aberdeen, Maryland	Harford County	Owned	78,503	1Q 09	54,312	59,357	66,505	78,503
210 Research Boulevard Aberdeen, Maryland	Harford County	Owned	78,856	4Q 09	—	27,472	27,472	27,472

10807 New Allegiance Drive (Epic One) Colorado Springs, Colorado	I-25 North Corridor	Owned	145,723	2Q 08	46,765	59,993	59,993	59,993
565 Space Center Drive (Patriot Park VII) Colorado Springs, Colorado	Colorado Springs East	Owned	89,899	2Q 08	1,949	1,949	1,949	1,949
Subtotal Defense Information Technology			868,029		320,177	404,251	469,744	602,271
					37%	47%	54%	69%
Total Development Leasing			1,366,632		443,641	902,854	968,347	1,100,874
Percent Leased					32%	66%	71%	81%

(1) Includes properties with actual construction completion in 2009 or actual or anticipated construction completion in 2010.

Land Controlled as of September 30, 2010

Location	Submarket	Status	Acres	Estimated Developable Square Feet
National Business Park - North	BWI Airport	owned	169	1,258,000
1243 Winterson Road (AS 22)	BWI Airport	owned	2	30,000
940 Elkridge Landing Road (AS 7)	BWI Airport	owned	3	54,000
West Nursery Road	BWI Airport	owned	1	5,000
Arundel Preserve	BWI Airport	under contract/JV	56 up to	1,652,000
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	8	275,000
Riverwood	Howard Co. Perimeter	owned	5	27,000
Total Baltimore / Washington Corridor			264	3,581,000
Westfields Corporate Center	Dulles South	owned	23	400,000
Westfields - Park Center	Dulles South	owned	33	674,000
Woodland Park	Herndon	owned	5	225,000
Patriot Ridge	Springfield	owned/under contract	11	740,000
Total Northern Virginia			72	2,039,000
Canton Crossing	Baltimore	owned	10	773,000
White Marsh	White Marsh	owned	152	1,692,000
37 Allegheny Avenue	Towson	owned	0.3	40,000
North Gate Business Park	Harford County	owned	34	439,000
Total Greater Baltimore			196	2,944,000
Thomas Johnson Drive	Frederick	owned	6	170,000
Route 15 / Biggs Ford Road	Frederick	owned	107	1,000,000
Rockville Corporate Center	Rockville	owned	10	220,000
M Square Research Park	College Park	JV - 50% ownership	49	510,000
Total Suburban Maryland			172	1,900,000
Arborcrest	Blue Bell	owned	63	692,000
Total Greater Philadelphia			63	692,000
Dahlgren Technology Center	King George County	owned	39	122,000
Expedition VII	St. Mary's County	owned	6	60,000
Total St. Mary's & King George Counties			45	182,000
InterQuest	I-25 North Corridor	owned	113	1,623,000
9965 Federal Drive	I-25 North Corridor	owned	4	30,000
Patriot Park	Colorado Springs East	owned	71	756,000
Aerotech Commerce	Colorado Springs East	owned	6	90,000
Total Colorado Springs			194	2,499,000
Northwest Crossroads	San Antonio Northwest	owned	31	375,000
Military Drive	San Antonio Northwest	owned	37	658,000
Total San Antonio			68	1,033,000
Redstone Gateway	Huntsville, AL	JV- 85% ownership	458	4,360,000
Total Huntsville			458	4,360,000
Indian Head	Charles County, MD	JV- 75% ownership	192	967,000
Fort Ritchie (1)	Fort Ritchie	owned	591	1,700,000
Total Other			783	2,667,000
TOTAL			2,314	21,897,000

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

(1) The Fort Ritchie acquisition includes 283,565 square feet of existing office space targeted for future redevelopment and 110 existing usable residential units.

Wholesale Data Center Summary as of September 30, 2010
(Dollars in thousands)

Property and Location	Gross Building Area	Raised Floor Square Footage (1)	Initial Stabilization Critical Load (in MWs) (2)	Critical Load Upon Completion Leased	MW Operational	Anticipated Total Cost (3)	Cost to date	Actual or Anticipated Construction Completion Date (4)	Anticipated Operational Date (5)
Power Loft @ Innovation 9651 Hornbaker Road Manassas, Virginia	233,000	100,000	18	17%	8%	\$ 282,000	\$ 115,778	4Q 12	4Q 12

Lease Expiration Analysis

Year of Lease Expiration	Number of Leases Expiring	Raised Floor Square Footage	Critical Load Leased	Total Annual Rental Revenue of Expiring Leases
2019	1	7,172	1	\$ 2,017
2020	1	12,773	2	1,056
			<u>3</u>	<u>\$ 3,073</u>

- (1) Raised floor square footage is that portion of the gross building area where tenants locate their computer servers. Raised floor area is considered to be the net rentable square footage.
- (2) Critical load is the power available for exclusive use of tenants in the property (expressed in terms of megawatts (“MWs”)).
- (3) Anticipated total cost includes land, construction and leasing costs.
- (4) Actual or anticipated construction completion date is the estimated date of completion of the building shell and equipment fit-out.
- (5) Anticipated operational date is the estimated date when leases have commenced on 100% of a property’s space or one year from the cessation of major construction activities.

Joint Venture Summary as of September 30, 2010
(Dollars in thousands)

Consolidated Ventures

Property and Location	Joint Venture Interest Held By COPT	Status	Square Feet	Acreage	Total Assets (1)	Consolidated Debt as of 9/30/10
4230 Forbes Boulevard Lanham, Maryland	50.0%	Operating	55,866	5 acres	\$ 3,926	\$ —
Indian Head Technology Center Business Park Indian Head, Maryland	75.0%	Land Inventory	967,000	192 acres	7,444	—
7740-7744 Milestone Parkway Hanover, Maryland	50.0%	Operating/ Land Inventory	447,539	23 acres	29,838	16,753
5825 University Research Court College Park, Maryland	50.0%	Operating	118,528	8 acres	23,510	—
5850 University Research Court College Park, Maryland	50.0%	Operating	123,464	8 acres	31,496	—
M Square Research Park College Park, Maryland	50.0%	Land Inventory	510,000	49 acres	3,799	—
Redstone Gateway Huntsville, Alabama	85.0%	Land Inventory	4,360,000	458 acres	14,430	—
TOTAL					<u>\$ 114,443</u>	<u>\$ 16,753</u>

Unconsolidated Ventures

Property and Location	Joint Venture Interest Held By COPT	Status	Square Feet	COPT Investment	Off-Balance Sheet Debt as of 9/30/10
Greater Harrisburg Portfolio Harrisburg and Mechanicsburg, Pennsylvania	20.0%	Operating	670,999	\$ (5,458)	\$ 65,858

(1) Total assets includes any outside investment basis related to the applicable joint venture plus the total assets recorded on the books of the consolidated joint venture.