

**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) **September 15, 2011**

**CORPORATE OFFICE PROPERTIES TRUST**

(Exact name of registrant as specified in its charter)

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

**1-14023**  
(Commission  
File Number)

**23-2947217**  
(IRS Employer  
Identification Number)

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

**(443) 285-5400**  
(Registrant's telephone number, including area code)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 1.01 Entry into a Material Definitive Agreement**

On September 15, 2011, Corporate Office Properties Trust (the "Registrant"), the General Partner of Corporate Office Properties, L.P. (the "Operating Partnership"), entered into the Twenty-Eighth Amendment (the "Amendment") to the Second Amended and Restated Limited Partnership Agreement (as amended, the "Partnership Agreement") of the Operating Partnership. The Amendment, which is attached hereto as Exhibit 99.1, was entered into in order to amend and update the Partnership Agreement to provide for certain changes in ownership of the Operating Partnership. Other than to reflect such changes described above, the Amendment contains no substantive terms.

**Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers**

On September 16, 2011, the Registrant issued a press release to announce the following events:

- Randall M. Griffin, the Chief Executive Officer ("CEO") of the Registrant and the Operating Partnership, will retire from his role as CEO effective March 31, 2012. As described further below, Roger A. Waesche, Jr. has been elected CEO and as a member of the Board of Trustees effective April 1, 2012. Subsequent to March 31, 2012, Mr. Griffin will continue as a Trustee on the Registrant's Board. As provided for in the Registrant's Amended and Restated 2008 Omnibus Equity and Incentive Plan, for purposes of the vesting terms of certain restricted shares granted to Mr. Griffin under such plan, Mr. Griffin's service relationship with the Registrant and the Operating Partnership will be deemed to continue while he serves on the Registrant's Board of Trustees.
- Roger A. Waesche, Jr., age 57, has been elected CEO and as a member of the Board of Trustees effective April 1, 2012. Mr. Waesche has been the Registrant's and Operating Partnership's President since September 2010, after holding the position of Executive Vice President since January 2004 and the position of Senior Vice President from September 1998 through December 2003. Mr. Waesche became our Chief Operating Officer in August 2006, after serving as our Chief Financial Officer since March 1999. As described further below, Stephen E. Budorick is joining the Registrant and Operating Partnership as Executive Vice President and Chief Operating Officer effective September 29, 2011. Accordingly, Mr. Waesche will cease serving as Chief Operating Officer effective September 29, 2011.
- Stephen E. Budorick, age 51, is joining the Registrant and the Operating Partnership as Executive Vice President and Chief Operating Officer effective September 29, 2011. Mr. Budorick previously served Callahan Capital Partners, LLC, a real estate investment firm, as Executive Vice President, Asset Management from October 2006 to September 2011 and Trizec Properties, Inc., a real estate investment trust, as Executive Vice President, Central Region from 1997 to 2006. Set forth below is a summary description of Mr. Budorick's employment agreement, which is qualified in its entirety by reference to the full agreement, which is filed herewith as Exhibit 99.2.

On September 15, 2011, the Registrant and the Operating Partnership entered into an employment agreement (the "Agreement"), effective as of September 29, 2011, with Mr. Budorick to serve as Executive Vice President and Chief Operating Officer. The Agreement has a three-year term commencing on September 29, 2011 and expiring on September 28, 2014. In the event that Mr. Budorick's employment continues following the expiration of the Agreement, his employment shall be "at will" unless a new employment agreement is entered into relating to his continuing employment. Under the Agreement, Mr. Budorick's minimum base salary is \$350,000 per year from September 29, 2011 through March 31, 2012 and \$375,000 per year from April 1, 2012 through the end of his term. Mr. Budorick's base salary is subject to review at least

annually by the Operating Partnership. He is eligible to receive annual cash performance bonuses from the Operating Partnership, including amounts for 2011 performance defined under the terms of the Agreement. He is eligible to receive equity awards from the Operating Partnership and/or the Registrant to the extent the Operating Partnership and/or the Registrant maintains an equity award plan or similar program in which senior officers may participate, including awards in 2012 defined under the terms of the Agreement. He is also entitled to participate in all plans and benefits generally accorded to employees of the Operating Partnership, including relocation benefits in accordance with the Registrant's relocation policy. The Agreement provides that on September 29, 2011, Mr. Budorick will be granted 25,000 of the Registrant's

common shares of beneficial interest, such shares being subject to forfeiture restrictions that lapse in equal one-fifth increments annually beginning on December 1, 2012 and each of the next four anniversaries of such date as he remains employed by the Operating Partnership. In addition, the Agreement provides that he shall receive a signing bonus of \$33,000.

The Agreement provides for the following severance package in the event of Mr. Budorick's termination by the Operating Partnership during the term of the Agreement for any reason other than death, disability or "for cause," as defined in the Agreement, or if he is "Constructively Discharged," as defined in the Agreement: (1) payment equal to his base annual salary multiplied by two; (2) payment equal to the average of his three most recent annual performance bonuses, as adjusted to annualize amounts for 2011 performance, multiplied by two; (3) a pro-rated annual performance bonus for the year of termination through the date of termination based on the amount of his annual performance bonus, if any, for the most recent prior year for which the amount of his annual performance bonus was determined, as adjusted to annualize amounts for 2011 performance; (4) full vesting of previously unvested equity awards under any stock plan or similar program to the extent such equity awards are subject to a time-based vesting schedule, and any accelerated vesting of equity awards under any stock plan or similar program that is subject to performance-based vesting shall occur in accordance with the terms of the applicable agreements; (5) the right to exercise stock options granted under any stock option or share incentive plan established by the Registrant for up to 18 months following termination; and (6) continuing coverage under the Operating Partnership's group medical, dental and vision plans for 12 months following termination unless such benefits are available to him through other employment after termination. In the event of Mr. Budorick's termination in connection with, or within 12 months after, a "Change in Control," as defined in the Agreement, the Agreement provides for the payments and benefits set forth above, except that in lieu of the payments described above that are based on his annual base salary and the average of his three most recent annual performance bonuses, such payments would be equal to his annual base salary multiplied by 2.99 and the average of his three most recent annual performance bonuses, as adjusted to annualize amounts for 2011 performance, multiplied by 2.99.

Mr. Budorick is required under the Agreement to devote his full business time to the business and affairs of the Operating Partnership and the Registrant, and he is prohibited from competing directly or indirectly with the Operating Partnership during the term of the Agreement and for a period thereafter.

The description set forth above is only a summary of Mr. Budorick's employment agreement and is qualified in its entirety by reference to the full agreement, which is filed herewith as Exhibit 99.2.

**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	Twenty-Eighth Amendment to Second Amended and Restated Limited Partnership Agreement of Corporate Office Properties, L.P., dated September 15, 2011.
99.2	Employment Agreement, dated September 15, 2011, between Corporate Office Properties, L.P., Corporate Office Properties Trust, and Stephen E. Budorick.
99.3	Press release dated September 16, 2011.

**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.

Date: September 16, 2011

CORPORATE OFFICE PROPERTIES TRUST

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

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EXHIBIT INDEX

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**TWENTY-EIGHTH AMENDMENT  
TO  
SECOND AMENDED AND RESTATED  
LIMITED PARTNERSHIP AGREEMENT  
OF  
CORPORATE OFFICE PROPERTIES, L.P.**

This Twenty-Eighth Amendment (the "Amendment") to the Second Amended and Restated Limited Partnership Agreement Of Corporate Office Properties, L.P., a Delaware limited partnership (the Partnership), is made and entered into as of September 15, 2011, by the undersigned.

**Recitals**

A. The Partnership is a limited partnership formed under the Delaware Revised Uniform Limited Partnership Act (the "Act") and governed by that certain Second Amended and Restated Limited Partnership Agreement dated as of December 7, 1999, as amended by that certain First Amendment to Second Amended and Restated Limited Partnership Agreement dated as of December 21, 1999, that certain Second Amendment to Second Amended and Restated Limited Partnership Agreement dated as of December 21, 1999, that certain Third Amendment to Second Amended and Restated Limited Partnership Agreement dated as of September 29, 2000, that certain Fourth Amendment to Second Amended and Restated Limited Partnership Agreement dated as of November 27, 2000, that certain Fifth Amendment to Second Amended and Restated Limited Partnership Agreement dated as of January 25, 2001, that certain Sixth Amendment to Second Amended and Restated Limited Partnership Agreement dated as of April 3, 2001, that certain Seventh Amendment to the Second Amended and Restated Limited Partnership Agreement dated as of August 30, 2001, that certain Eighth Amendment to the Second Amended and Restated Limited Partnership Agreement dated September 14, 2001, that certain Ninth Amendment to the Second Amended and Restated Limited Partnership Agreement dated October 16, 2001, that certain Tenth Amendment to the Second Amended and Restated Limited Partnership Agreement dated December 29, 2001, that certain Eleventh Amendment to the Second Amended and Restated Limited Partnership Agreement dated December 15, 2002, that certain Twelfth Amendment to the Second Amended and Restated Limited Partnership Agreement dated June 2, 2003, that certain Thirteenth Amendment to the Second Amended and Restated Limited Partnership Agreement dated December 18, 2003, that certain Fifteenth Amendment to the Second Amended and Restated Limited Partnership Agreement dated January 31, 2004, that certain Sixteenth Amendment to the Second Amended and Restated Limited Partnership Agreement dated April 15, 2004, that certain Seventeenth Amendment to the Second Amended and Restated Limited Partnership Agreement dated September 23, 2004, that certain Eighteenth Amendment to the Second Amended and Restated Partnership Agreement dated April 18, 2005, that certain Nineteenth Amendment to the Second Amended and Restated Partnership Agreement dated July 8, 2005, that certain Twentieth Amendment

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to the Second Amended and Restated Partnership Agreement dated June 29, 2006, that certain Twenty-First Amendment to the Second Amended and Restated Partnership Agreement dated July 20, 2006, that certain Twenty-Second Amendment to the Second Amended and Restated Limited Partnership Agreement of Corporate Office Properties, L.P., dated January 9, 2007, that certain Twenty-Third Amendment to the Second Amended and Restated Limited Partnership Agreement of Corporate Office Properties, L.P., dated April 6, 2007, that certain Twenty-Fourth Amendment to the Second Amended and Restated Limited Partnership Agreement of Corporate Office Properties, L.P., dated November 2, 2007, that certain Twenty-Fifth Amendment to the Second Amended and Restated Limited Partnership Agreement of Corporate Office Properties, L.P., dated December 31, 2008, that certain Twenty-Sixth Amendment to the Second Amended and Restated Limited Partnership Agreement of Corporate Office Properties, L.P., dated March 4, 2010 and that certain the Twenty-Seventh Amendment to Second Amended and Restated Limited Partnership Agreement of Corporate Office Properties, L.P., dated February 3, 2011 (as amended, the "Agreement").

B. Unless otherwise defined herein, all capitalized terms used in this Amendment shall have the same meanings as set forth in the Agreement.

C. The sole general partner of the Partnership is Corporate Office Properties Trust, a real estate investment trust formed under the laws of the State of Maryland (the "General Partner").

D. The General Partner wishes to amend Agreement, pursuant to its authority under Section 11.1(A) of the Agreement, to permit the Partnership to issue to the General Partner 1,666,083 common Partnership Interests in the Partnership (the "Common Units"), following which issuance the number of Common Units held by the General Partner will equal the number of outstanding common shares of beneficial interest of the General Partner, \$0.01 par value; such equality was intended by the General Partner and the Partnership.

E. The General Partner has determined that such amendment and subsequent issuance of Common Units as contemplated in the foregoing recital will not alter the amount or the Partner's rights to distributions set forth in Article V or X of the Agreement, or the allocations set forth in Article IV of the Agreement.

NOW THEREFORE, in consideration of the foregoing and of the mutual premises set forth herein, the General Partner, intending to be legally bound hereby, hereby amends the Agreement as follows, effective as of the date set forth above.

1. Section 4.2 of the Agreement is hereby amended to contain a new clause (D), set forth as follows:

"On or about the date of the Twenty-Eighth Amendment to this Agreement, the Partnership shall issue to the General Partner 1,666,083 Partnership Units, which

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issuance shall cause the number of Partnership Units held by the General Partner to equal the outstanding number of REIT Shares at the time of such issuance."

2. The General Partner is hereby amending Exhibit 1 to the Agreement by substituting for the existing Exhibit 1 the Exhibit 1 in the form attached hereto to reflect the issuance of Common Units to the General Partner as contemplated by this Amendment.

3. This Amendment shall in all respects be construed in accordance with, and governed by, the laws of the State of Delaware.

4. Except as explicitly modified by this Amendment, all of the provisions of the Agreement are hereby ratified and confirmed, and shall remain in full force and effect.

**(SIGNATURE PAGE FOLLOWS)**

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In witness whereof, the General Partner has executed this Amendment as of the day and year first above written.

CORPORATE OFFICE PROPERTIES TRUST,  
a Maryland Real Estate Investment Trust

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

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**Exhibit 1 Addendum — 28th Amendment**

**Schedule of Partners**

	<b>Common Units of Partnership Units</b>	<b>Series G Preferred Units</b>	<b>Series H Preferred Units</b>	<b>Series I Preferred Units</b>	<b>Series J Preferred Units</b>	<b>Series K Preferred Units</b>
<b>General Partner</b>						
Corporate Office Properties Trust	71,962,296	2,200,000	2,000,000		3,390,000	531,667
<b>Limited Partners and Preferred Limited Partners</b>						
Jay H. Shidler	431,893					
Shidler Equities, L.P.	1,353,963					
Clay W. Hamlin, III	91,592					
LBCW Limited Partnership	1,331,107					
Robert L. Denton	346,000					
James K. Davis	51,589					
Denise J. Liszewski	4,433					
Samuel Tang	4,389					
Lawrence J. Taff	13,733					
Kimberly F. Aquino	2,937					
M.O.R. 44 Gateway Associates Limited Partnership	1					
John Parsinen	49,434					
M.O.R. Commons Limited Partnership	7					
Lynn Hamlin	121,411					
Housing Affiliates, Inc.	4,402					
Reingle Corp.	730					
Joseph Tawil	2,160					
The Lovejoy Trust	59,528					
The Century Trust	59,528					
A. Charles Wilson, Trustee of the A. Charles Wilson and Betty S. Wilson Trust u/d/t June 18, 1980—Survivor's Trust	5,908					
Irwin Hoffman	1,880					
	2,160					
The Rouse Family Exemption Trust						
Lawrence G. Rief	2,526					
David D. Jenkins	262,165					
RA & DM, Inc.	2,954					
Richard Alter	43,817					
Donald Manekin	23,336					
William Winstead	14,019					
Richard Manekin	8,988					
Robert Manekin	8,988					
Charles Manekin	3,899					
Francine Manekin	880					
Sandy Sirota	5,427					
Lynn Stern	880					
Louis LaPenna	2,513					
Jamie Deutsch	22					
Kelly Alter	22					
TRC Associates Limited Partnership				352,000		
<b>TOTAL</b>	<b>76,281,517</b>	<b>2,200,000</b>	<b>2,000,000</b>	<b>352,000</b>	<b>3,390,000</b>	<b>531,667</b>

**EMPLOYMENT AGREEMENT****STEPHEN E. BUDORICK**

This Employment Agreement (this "Agreement"), is made and entered into as of the 15th day of September, 2011, by and between Corporate Office Properties L.P., a Delaware limited partnership (the "Employer"), and Corporate Office Properties Trust, a Maryland real estate investment trust and the general partner of the Employer (the "Company"), and Stephen E. Budorick (the "Executive").

**RECITALS**

A. The Employer wishes to assure itself of the services of the Executive for the period provided in this Agreement and the Executive is willing to serve as an employee of the Employer on a full-time basis for said period, and upon the other terms and conditions hereinafter provided.

B. The Employer recognizes that circumstances may arise in which a change of control of the Employer, through acquisition or otherwise, may occur, thereby causing uncertainty of employment without regard to the competence or past contributions of the Executive, and that such uncertainty may result in the loss of valuable services of the Executive. Accordingly, the Employer and the Executive wish to provide reasonable security to the Executive against changes in the employment relationship in the event of any such change of control.

NOW, THEREFORE, in consideration of the premises and of the covenants and agreements hereinafter contained, it is covenanted and agreed by and between the parties hereto as follows:

**AGREEMENTS**

1. **EFFECTIVE DATE; TERM.** Notwithstanding the date of execution hereof, this Agreement shall become effective as of September 29, 2011 (the "Effective Date") and shall have a term of three (3) years commencing on the Effective Date and expiring on September 28, 2014 (the "Term"). Except as otherwise provided herein, this Agreement and all of the terms hereof shall expire upon the end of the Term. During the Term, the Employer will employ the Executive, and the Executive will serve as an employee of the Employer, on the terms set forth in this Agreement unless and until the Executive's employment is terminated in accordance with Section 4 below.

2. **POSITION AND DUTIES.** As of the Effective Date, the Employer hereby employs the Executive as a senior executive of the Employer and the Executive shall serve as Executive Vice President and Chief Operating Officer of the Company, or in such other capacities as shall be mutually agreed between the Executive and the Employer and/or the Company, as applicable. During the period of the Executive's employment hereunder, the Executive shall devote his best efforts and full business time, energy, skills and attention to the business and affairs of the Employer and the Company. The Executive's duties and authority

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shall consist of and include all duties and authority customarily performed and held by persons holding equivalent positions with business organizations similar in nature and size to the Employer and the Company, as such duties and authority are reasonably defined, modified and delegated from time to time by the Board of Trustees of the Company (the "Board") and/or the Chief Executive Officer of the Company.

3. **COMPENSATION.** As compensation for the services to be provided by the Executive hereunder, the Executive shall receive the following compensation and other benefits during the term of this Agreement for so long as the Executive remains employed by the Employer:

(a) **BASE SALARY.** The Executive shall receive an aggregate minimum "Base Salary" at the rate of Three Hundred Fifty Thousand Dollars (\$350,000) per annum from the Effective Date through March 31, 2012 and the rate of Three Hundred Seventy-Five Thousand Dollars (\$375,000) per annum from April 1, 2012 through the end of the Term, payable in periodic installments in accordance with the regular payroll practices of the Employer. Such Base Salary shall be subject to review annually or more frequently by the Employer during the term hereof.

(b) **PERFORMANCE BONUS.** The Executive shall be eligible to receive an annual cash "Performance Bonus"; provided that the actual amount and criteria for any such Performance Bonus shall be determined by the Employer, in its sole discretion. Any amount due and payable to the Executive under this paragraph (b) of Section 3 for any calendar year shall be paid to the Executive no later than two and one-half months following the close of such calendar year. With respect to 2011, assuming the Executive remains employed by the Employer through the end of such year, the Executive's cash Performance Bonus (the "2011 Cash Performance Bonus") will be based on the achievement of corporate objectives consistent with those utilized for the annual cash performance bonuses for which the Company's other senior executives are eligible, with respect to 75% of the 2011 Cash Performance Bonus, and individualized objectives to be determined by the Employer, in its sole discretion, and communicated to the Executive in writing within 15 business days after the Effective Date, with respect to 25% of the 2011 Cash Performance Bonus. The 2011 Cash Performance Bonus will provide threshold, target and maximum hurdles for each objective and, assuming each objective is met at the threshold, target or maximum level, for payments equal to 85%, 115% and 140% of the Executive's annual Base Salary as of the Effective Date, respectively, pro rated, in each case, for the portion of 2011 during which the Executive was employed by the Employer. The 2011 Cash Performance Bonus will also be subject to other terms and conditions consistent with those applicable to the Company's other senior executives with respect to their potential 2011 annual cash performance bonuses.

(c) **EQUITY AWARDS.** On the Effective Date, the Executive will be entitled to receive a grant under the Company's Amended and Restated 2008 Omnibus Equity and Incentive Plan, as amended, of 25,000 restricted common shares (the "Restricted Shares") of beneficial interest, \$0.01 par value per share, of the Company with the vesting terms described below and subject to such other terms and pursuant to

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such documentation as is otherwise consistent with the Company's general practices for documentation of such awards. The Restricted Shares will vest, and the forfeiture restriction on the Restricted Shares will lapse, with respect to 20% of the Restricted Shares on December 1, 2012 and each of the next four anniversaries of such date, subject to the Executive's continued employment with the Employer through each such date. In addition, the Executive shall be eligible to receive equity awards from the Employer and/or the Company to the extent the Employer and/or the Company maintains an equity award plan or similar program in which senior officers may participate; provided that the actual amount and terms of any such equity awards shall be determined by the Employer and/or the Company, in its sole discretion. If the Company determines to grant performance-based equity awards to its senior executives generally in 2012 and the Executive remains employed by the Employer as of the grant date for such awards, then the Company will grant an equity award (the "2012 Equity Award") to the Executive subject to such performance-based vesting terms as may be determined by the Company consistent with the vesting terms utilized for the equity awards granted to the Company's other senior executives. The terms of the 2012 Equity Award granted to the Executive will provide that, assuming target performance is achieved, the 2012 Equity Award will have a value (as determined by the Company using whatever methodology it deems appropriate) at least equal to the Executive's annual Base Salary as of the grant date of such award.

(d) **BENEFITS.** The Executive shall be entitled to participate in all plans and benefits generally, from time to time, accorded to employees of

the Employer ("Benefit Plans"); provided that the Executive shall receive twenty-two (22) unaccrued vacation days per year (which shall be pro-rated for the first year of employment), subject to the Employer's annual carryover limitation. The Executive shall also be entitled to receive relocation benefits in accordance with the Company's Relocation Policy in effect as of the Effective Date.

(e) SIGNING BONUS. The Executive shall receive a signing bonus of Thirty-Three Thousand Dollars (\$33,000) on the first regular payroll date occurring after the Effective Date.

(f) WITHHOLDING. The Employer shall be entitled to withhold, from amounts payable to the Executive hereunder, any federal, state or local withholding or other taxes or charges which it is from time to time required to withhold. The Employer shall be entitled to rely upon any determination that it makes in good faith with regard to any question concerning the amount or requirement of any such withholding.

#### 4. TERMINATION.

(a) TERMINATION; DATE OF TERMINATION. The Executive's employment under this Agreement may be terminated by either party, for any reason, effective as of the Date of Termination (as defined below). In the event that the Executive's employment continues following the expiration of this Agreement, such employment shall be "at will" unless an extension of this Agreement or a new

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employment agreement has been entered into relating to the Executive's continuing employment. For purposes of clarity, expiration of this Agreement shall not be deemed to be a termination of the Executive's employment by the Employer or be deemed to be a Constructive Discharge (as defined below) hereunder, and, in the event that the Executive's employment with the Employer is terminated concurrently with or after the expiration of this Agreement, the Executive will not be entitled to any of the payments or other benefits set forth in Section 4 of this Agreement other than the Accrued Benefit (as defined in paragraph (b) of this Section 4). As used in this Agreement, the term "Date of Termination" shall mean:

(i) if the Executive's employment is terminated by his death in accordance with paragraph (e) of this Section 4, the date of his death;

(ii) if the Executive's employment is terminated on account of disability under paragraph (f) of this Section 4 or by the Employer "for cause" under paragraph (d) of this Section 4, the date specified in the written notice of such termination given by the Employer, which shall not be later than thirty (30) days from the date of such notice unless otherwise agreed by the parties, provided that if no date is specified in such notice, the Date of Termination shall be deemed to be the first business day after delivery of such written notice;

(iii) if the Executive's employment is terminated by the Employer under paragraph (c) or (g) of this Section 4, the date specified in the written notice of such termination given by the Employer, which shall not be later than thirty (30) days from the date of such notice unless otherwise agreed by the parties, provided that if no date is specified in such notice, the Date of Termination shall be deemed to be the first business day after delivery of such written notice; or

(iv) if the Executive is Constructively Discharged in accordance with paragraph (c) or (g) of this Section 4 or the Executive voluntarily terminates his employment in accordance with paragraph (h) of this Section 4, the date specified in the written notice of such termination given by the Executive which shall not be later than thirty (30) days from the date of such notice, unless otherwise agreed by the parties, provided that if no date is specified in such notice, the Date of Termination shall be deemed to be the first business day after delivery of such written notice.

(b) ACCRUED BENEFIT. If the Executive's employment with the Employer is terminated for any reason, the Employer shall pay or provide to the Executive (or to his authorized representative or estate) any earned but unpaid Base Salary, unpaid expense reimbursements, accrued but unused vacation and any vested benefits the Executive may have under any employee benefit plan of the Employer (the "Accrued Benefit") on or before the time required by law but in no event more than 30 days after the Executive's Date of Termination. The Executive acknowledges and understands that, except as otherwise expressly provided herein or in the applicable plan

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or plans, he shall have no right to any Performance Bonus, other bonus or any equity award unless the Executive is continuously employed by the Employer through the applicable payment, award or vesting date, as applicable.

(c) PREMATURE TERMINATION; CONSTRUCTIVE DISCHARGE.

(i) In the event that either (1) the employment of the Executive is terminated under this Agreement by the Employer for any reason during the Term, other than termination upon death in accordance with paragraph (e) of this Section 4, termination upon disability in accordance with the provisions of paragraph (f) of this Section 4, or a "for-cause" termination in accordance with the provisions of paragraph (d) of this Section 4 or (2) the Executive is "Constructively Discharged" (as defined below) during the Term, then, the Executive shall receive the Accrued Benefit in accordance with paragraph (b) of this Section 4 and, subject to the Executive signing and delivering to the Employer a general release of claims in favor of the Employer and related persons and entities in a form and manner satisfactory to the Employer (the "Release") within thirty (30) days following the Date of Termination and the Release becoming irrevocable at the earliest possible time under applicable law following such execution and delivery, and notwithstanding any actual or allegedly available alternative employment or other mitigation of damages by or available to the Executive, the Executive shall be entitled to the following payments and benefits:

(A) an amount (the "Termination Payment") equal to the sum of (x) two (2) times the rate of annualized Base Salary payable to the Executive as of the date which notice of such termination is delivered by the Employer or the Executive without giving effect to any decrease in Base Salary occurring within ninety (90) days as of such date that would result in the Executive being deemed to have been Constructively Discharged (such rate being referred to as the "Annualized Base Salary"), plus (y) two (2) times the average of the annual Performance Bonuses, if any, for the three (3) most recent years for which the amount of the annual Performance Bonus has been determined (or such fewer number of years for which such amount has been determined) (such average, the "Average Performance Bonus"), provided that, prior to determining the Executive's annual Performance Bonus for 2011, the Average Performance Bonus will be deemed to equal the Executive's annualized Base Salary as of the Effective Date and for purposes of determining the Average Performance Bonus thereafter, the Executive's annual Performance Bonus for 2011 will be annualized;

(B) a pro-rated annual Performance Bonus for the year of termination through the Date of Termination (and the prior year if the Performance Bonus for such year has not yet been determined), based on

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the amount of the Executive's Performance Bonus, if any, for the most recent prior year for which the amount of the Performance Bonus was determined (including any year with respect to which the Performance Bonus was determined to be zero), provided that, prior to determining the Executive's annual Performance Bonus for 2011, the amount of Executive's Performance Bonus for the most recent prior year will be deemed to equal the Executive's annualized Base Salary as of the Effective Date and for purposes of determining such pro-rated annual Performance Bonus thereafter, the Executive's annual Performance Bonus for 2011 will be annualized;

(C) the Company shall allow a period of eighteen (18) months following the Date of Termination (but in no event beyond the expiration of any option term or period specified in the option agreement with the Executive) to exercise any options granted under any stock option or share incentive plan established by the Company ("Stock Plan");

(D) notwithstanding the vesting schedule otherwise applicable, the Executive shall be fully vested in all of the Executive's equity awards under any Stock Plan or similar program to the extent such equity awards are subject to a time-based vesting schedule, and any accelerated vesting of the Executive's equity awards under any Stock Plan or similar program that is subject to performance-based vesting shall occur in accordance with the terms of the applicable award agreement; and

(E) for a period of twelve (12) months following the Date of Termination, provide such continuing coverage under the Employer's group medical, dental and vision plans as the Executive would have received under this Agreement (and at such cost to the Executive) as would have applied if the Executive remained employed by the Employer (provided that such items are not available to him by virtue of other employment secured after termination) (the "Post-Termination Benefits").

The payments and benefits provided under (A), (B), (C), (D) and (E) above by the Employer shall not be offset against or diminish any other compensation or benefits accrued as of the date of termination.

(ii) Subject, to the extent applicable, to the six-month delay described in Section 11(h)(i), below, (x) the Termination Payments will be made in substantially equal monthly installments over twelve (12) months, commencing on the forty-fifth (45<sup>th</sup>) day after the Date of Termination, (y) the bonus(es) described in paragraph (c)(i)(B), above, shall be paid in a single lump-sum on the forty-fifth (45<sup>th</sup>) day after the Date of Termination, and (z) accelerated vesting described in paragraph (c)(i)(D), above, will occur on the forty-fifth (45<sup>th</sup>) day after the Date of Termination. Solely for purposes of Section 409A of the Internal

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Revenue Code of 1986, as amended (the "Code"), each installment payment is considered a separate payment.

(iii) For purposes of this Agreement, the Executive shall be deemed to have been "Constructively Discharged" upon the occurrence of any one of the following events:

(A) the Executive is not re-elected to, or is removed from, the position with the Company as set forth in Section 2 hereof, other than as a result of the Executive's election or appointment to positions of equal or superior scope and responsibility; or

(B) a material diminution in the Executive's responsibilities, authority or duties; or

(C) The Employer changes the primary employment location of the Executive to a place that is more than fifty (50) miles from 6711 Columbia Gateway Drive, Suite 300, Columbia, Maryland 21046; or

(D) The Employer otherwise commits a material breach of its obligations under this Agreement.

Notwithstanding the foregoing, the Executive shall not be deemed to be Constructively Discharged unless (i) the Executive notifies the Employer in writing of the occurrence of the condition that would constitute a Constructive Discharge hereunder within 90 days of the first occurrence of such condition; (ii) the Employer fails to remedy the condition within thirty (30) days after such notice is provided (the "Cure Period"); and (iii) the Executive terminates his employment within ten (10) days after the end of the Cure Period.

(d) **TERMINATION FOR CAUSE.** The employment of the Executive and this Agreement may be terminated "for-cause" as hereinafter defined. Termination "for-cause" shall mean the termination of employment on the basis or as a result of (i) a violation by the Executive of any applicable law or regulation respecting the business of the Employer; (ii) the Executive's conviction of a felony or any crime involving moral turpitude; (iii) any act of dishonesty or fraud, or the Executive's commission of an act which in the opinion of the Board disqualifies the Executive from serving as an officer or director of the Company; (iv) the willful or negligent failure of the Executive to perform his duties hereunder, which failure continues for a period of thirty (30) days after written notice thereof is given to the Executive; or (v) a violation of any provision of the Code of Business Conduct and Ethics. In the event the Employer terminates the Executive's employment "for cause" under this paragraph (d) of Section 4 during the Term, the Executive shall be entitled only to the Accrued Benefit. The Executive's right to exercise options and the right to further vesting of restricted stock granted under any Stock Plan or similar program shall terminate immediately upon the Executive's termination "for-cause."

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(e) **TERMINATION UPON DEATH.** The Executive's employment hereunder shall terminate upon his death. In the event of such termination of employment during the Term, such beneficiary, designee or fiduciary as Executive may have designated in writing, or failing such designation, to the executor or administrator of his estate shall be entitled to receive the Accrued Benefit, and notwithstanding the vesting schedule otherwise applicable, all equity awards granted to the Executive under any Stock Plan or similar program shall be fully vested on the Date of Termination to the extent such equity awards are subject to a time-based vesting schedule. Any accelerated vesting of the Executive's equity awards under any Stock Plan or similar program that is subject to performance-based vesting shall occur in accordance with the terms of the applicable award agreement. The Accrued Benefit and such accelerated vesting of any equity awards shall be in full settlement and satisfaction of all payments provided for in this Agreement.

(f) **TERMINATION UPON DISABILITY.** During the Term, the Employer may terminate the Executive's employment after the Executive is determined to be disabled under the long-term disability program of the Employer then covering the Executive or by a physician engaged by the Employer and reasonably approved by the Executive. In the event of a dispute regarding the Executive's "disability," such dispute shall be resolved through arbitration as provided in paragraph (c) of Section 11 hereof, except that the arbitrator appointed by the American Arbitration Association shall be a duly licensed doctor. In the event the Employer terminates the Executive's employment due to the Executive's "disability" under this paragraph (f) of Section 4 during the Term, the Executive shall be entitled only to the Accrued Benefit and, notwithstanding the vesting schedule otherwise applicable, the Executive shall be fully vested on the Date of Termination in



all of the Executive's equity awards under any Stock Plan or similar program to the extent such equity awards are subject to a time-based vesting schedule. Any accelerated vesting of the Executive's equity awards under any Stock Plan or similar program that is subject to performance-based vesting shall occur in accordance with the terms of the applicable award agreement. The Accrued Benefit and such accelerated vesting of any equity awards shall be in full settlement and satisfaction of all payments provided for in this Agreement.

(g) TERMINATION UPON CHANGE OF CONTROL.

(i) If, during the Term, the Executive's employment hereunder is terminated pursuant to paragraph (c) of Section 4, above, in connection with or within 12 months after a Change in Control (as defined below), then, the Executive shall be entitled to receive the payments and benefits set forth in paragraph (c) of Section 4, at such time(s) and upon satisfaction of the conditions set forth therein, except that the Termination Payment provided for in Section 4(c)(i)(A) shall equal the sum of (x) 2.99 times the Annualized Base Salary, plus (y) 2.99 times the Average Performance Bonus in lieu of the amount otherwise provided for therein.

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(ii) For purposes of this paragraph, the term "Change in Control" shall mean the following occurring after the date of this Agreement:

1. The consummation of the acquisition by any person, (as such term is defined in Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of fifty percent (50%) or more of the combined voting power embodied in the then outstanding voting securities of the Company; or

2. The consummation of (1) a merger or consolidation of the Company, if the stockholders of the Company immediately before such merger or consolidation do not, as a result of such merger or consolidation, own, directly or indirectly, more than fifty percent (50%) of the combined voting power of the then outstanding voting securities of the entity resulting from such merger or consolidation in substantially the same proportion as was represented by their ownership of the combined voting power of the voting securities of the Company outstanding immediately before such merger or consolidation; or (2) the sale or other disposition of all or substantially all of the assets of the Company; or

3. Approval by the stockholders of the Company of a complete or substantial liquidation or dissolution of the Company.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because fifty percent (50%) or more of the combined voting then outstanding securities is acquired by: (1) a trustee or other fiduciary holding securities under one or more employee benefit plans maintained for employees of the entity; or (2) any corporation or other entity which, immediately prior to such acquisition, is owned directly or indirectly by the stockholders of the Company in the same proportion as their ownership of stock in the Company immediately prior to such acquisition.

(h) VOLUNTARY TERMINATION. In the event of a termination of employment by the Executive on his own initiative, other than a termination due to death, disability or as a result of the Executive having been Constructively Discharged, the Executive shall receive the Accrued Benefit in full settlement and satisfaction of all payments provided for in this Agreement.

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(i) ADDITIONAL LIMITATIONS. Anything in this Agreement to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Employer to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Code and the applicable regulations thereunder (the "Severance Payments"), would be subject to the excise tax imposed by Section 4999 of the Code, the following provisions shall apply:

(i) If the Severance Payments, reduced by the sum of (1) the Excise Tax and (2) the total of the Federal, state, and local income and employment taxes payable by the Executive on the amount of the Severance Payments which are in excess of the Threshold Amount, are greater than or equal to the Threshold Amount, the Executive shall be entitled to the full benefits payable under this Agreement.

(ii) If the Threshold Amount is less than (x) the Severance Payments, but greater than (y) the Severance Payments reduced by the sum of (1) the Excise Tax and (2) the total of the Federal, state, and local income and employment taxes on the amount of the Severance Payments which are in excess of the Threshold Amount, then the Severance Payments shall be reduced (but not below zero) to the extent necessary so that the sum of all Severance Payments shall not exceed the Threshold Amount. In such event, the Severance Payments shall be reduced in the following order: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits. To the extent any payment is to be made over time (e.g., in installments, etc.), then the payments shall be reduced in reverse chronological order.

(iii) For the purposes of this paragraph (i) of Section 4, "Threshold Amount" shall mean three (3) times Executive's "base amount" within the meaning of Section 280G(b)(3) of the Code and the regulations promulgated thereunder less one dollar (\$1.00); and "Excise Tax" shall mean the excise tax imposed by Section 4999 of the Code, and any interest or penalties incurred by Executive with respect to such excise tax.

(iv) The determination as to which of the alternative provisions of this paragraph shall apply to Executive shall be made by a nationally recognized accounting firm selected by the Employer (the "Accounting Firm"), which shall provide detailed supporting calculations both to Employer and Executive within fifteen (15) business days of the date Executive's employment terminates, if applicable, or at such earlier time as is reasonably requested by the Employer or Executive. For purposes of determining which of the alternative provisions of this paragraph shall apply, Executive shall be deemed to pay federal income taxes at the highest marginal rate of Federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in

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the state and locality of Executive's residence on the date Executive's employment terminates, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes. Any determination by the Accounting Firm shall be binding upon the Employer and Executive.

5. CONFIDENTIALITY AND LOYALTY. The Executive acknowledges that heretofore or hereafter during the course of his employment he has produced and received, and may hereafter produce, receive and otherwise have access to various materials, records, data, trade secrets and information not generally available to the

public (collectively, "Confidential Information") regarding the Employer and its subsidiaries and affiliates. Accordingly, during and subsequent to termination of this Agreement, the Executive shall hold in confidence and not directly or indirectly disclose, use, copy or make lists of any such Confidential Information, except to the extent that such information is or thereafter becomes lawfully available from public sources, or such disclosure is authorized in writing by the Employer, required by law or by any competent administrative agency or judicial authority, or otherwise as reasonably necessary or appropriate in connection with the performance by the Executive of his duties hereunder. All records, files, documents, computer diskettes, computer programs and other computer-generated material, as well as all other materials or copies thereof relating to the business of the Employer, which the Executive shall prepare or use, shall be and remain the sole property of the Employer, shall not be removed from the Employer's premises without its written consent, and shall be promptly returned to the Employer upon termination of the Executive's employment hereunder. The Executive agrees to abide by the reasonable policies of the Employer, as in effect from time to time, respecting confidentiality and the avoidance of interests conflicting with those of the Employer.

6. NON-COMPETITION COVENANT.

(a) RESTRICTIVE COVENANT. The Employer and the Executive have jointly reviewed the tenant lists, property submittals, logs, broker lists, and operations of the Employer, and have agreed that as an essential ingredient of and in consideration of this Agreement and the payment of the amounts described in Sections 3 and 4 hereof, the Executive hereby agrees that, except with the express prior written consent of the Employer, for a period of twenty-four (24) months after the termination of the Executive's employment with the Employer for any reason during the Term, (the "Restrictive Period"), he will not directly or indirectly compete with the business of the Employer, including, but not by way of limitation, by directly or indirectly owning, managing, operating, controlling, financing, or by directly or indirectly serving as an employee, officer, trustee or director of or consultant to, or by soliciting or inducing, or attempting to solicit or induce, any employee or agent of Employer to terminate employment with Employer and become employed by any person, firm, partnership, corporation, trust or other entity which owns or operates a business similar to that of the Employer (the "Restrictive Covenant"). For purposes of this paragraph (a), a business shall be considered "similar" to that of the Employer if it is engaged in the ownership, development, operation, management or leasing of real estate in any geographic market or submarket in which the Employer either (i) owns, develops, operates or leases more

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than 1,000,000 square feet of property of the same or similar type (e.g., office, data center, industrial, residential or self-storage) as of the date of termination of the Executive's employment, or (ii) has commenced construction or agreed to acquire or manage more than 100,000 square feet of property of the same or similar type within the 12 months preceding the date of termination of the Executive's employment. If the Executive violates the Restrictive Covenant and the Employer brings legal action for injunctive or other relief, the Employer shall not, as a result of the time involved in obtaining such relief, be deprived of the benefit of the full period of the Restrictive Covenant. Accordingly, the Restrictive Covenant shall be deemed to have the duration specified in this paragraph (a) computed from the date the relief is granted but reduced by the time between the period when the Restrictive Period began to run and the date of the first violation of the Restrictive Covenant by the Executive. In the event that the Executive's employment hereunder is terminated pursuant to paragraph (c) of Section 4, above, in connection with or within 12 months after a Change in Control, this Restrictive Covenant shall continue to apply only to the primary service area of the Employer as it existed immediately before such Change in Control and shall not apply to any of the successor's other offices or markets. The foregoing Restrictive Covenant shall not prohibit the Executive from owning, directly or indirectly, capital stock or similar securities which are listed on a securities exchange which do not represent more than five percent (5%) of the outstanding capital stock of any corporation. For avoidance of doubt, notwithstanding anything in this Agreement to the contrary and unless otherwise agreed by the Executive and the Employer, the Restrictive Covenant shall not apply following the termination of the Executive's employment with the Employer in the event that such termination occurs after the end of the Term.

(b) REMEDIES FOR BREACH OF RESTRICTIVE COVENANT. The Executive acknowledges that the restrictions contained in Sections 5 and 6 of this Agreement are reasonable and necessary for the protection of the legitimate proprietary business interests of the Employer; that any violation of these restrictions would cause substantial injury to the Employer and such interests; that the Employer would not have entered into this Agreement with the Executive without receiving the additional consideration offered by the Executive in binding himself to these restrictions; and that such restrictions were a material inducement to the Employer to enter into this Agreement. In the event of any violation or threatened violation of these restrictions, the Employer shall be relieved of any further obligations under this Agreement, shall be entitled to seek any rights, remedies or damages available at law, in equity or otherwise under this Agreement, and shall be entitled to seek preliminary and temporary injunctive relief granted by a court of competent jurisdiction to prevent or restrain any such violation by the Executive and any and all persons directly or indirectly acting for or with him, as the case may be, while awaiting the decision of the arbitrator selected in accordance with paragraph (c) of Section 11 of this Agreement, which decision, if rendered adverse to the Executive, may include permanent injunctive relief to be granted by the court.

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(c) DEFINITION OF EMPLOYER. For purposes of Sections 5 and 6, the term "Employer" shall be deemed to include all of the Employer's subsidiaries and affiliates.

7. INTERCORPORATE TRANSFERS; SUCCESSORS; ASSIGNMENT. This Agreement shall be binding upon and inure to the benefit of the Executive and the Employer and its respective personal representatives, successors and assigns, and any successor or assign of the Employer shall be deemed the "Employer" hereunder to the extent of such succession or assignment. It is expressly acknowledged and agreed that the Employer may assign this Agreement in its entirety, and any or all of its rights and obligations under this Agreement, to an affiliate of the Employer; provided that the Company, the Employer or the direct successor of either (or a direct or indirect parent entity of such direct successor) guarantees such affiliate's performance hereunder. For purposes hereof, an affiliate of the Employer shall mean any corporation or other entity directly or indirectly controlling, controlled by, or under common control with the Employer. No rights or obligations of the Executive under this Agreement may be assigned or transferred by the Executive other than his rights to compensation and benefits, which, subject to applicable law, may be transferred only by will or by operation of law.

8. INTEREST IN ASSETS. Neither the Executive nor his estate shall acquire hereunder any rights in funds or assets of the Employer or any of its subsidiaries or affiliates, otherwise than by and through the actual payment of amounts payable hereunder; nor shall the Executive or his estate have any power to transfer, assign (except into a trust for purposes of estate planning), anticipate, hypothecate or otherwise encumber in advance any of said payments; nor shall any of such payments be subject to seizure for the payment of any debt, judgment, alimony, separate maintenance or be transferable by operation of law in the event of bankruptcy, insolvency or otherwise of the Executive.

9. ASSUMPTION BY EMPLOYER. By its execution of this Agreement, and in consideration of the services provided by the Executive to the Employer hereunder, the Employer agrees to be secondarily liable to the Executive, and shall assume the liabilities, obligations and duties of the Company as contained in this Agreement in the event the Company cannot or refuses to honor such obligations.

10. INDEMNIFICATION.

(a) The Company shall provide the Executive (including his heirs, personal representatives, executors and administrators), during the term of this Agreement and thereafter throughout all applicable limitations periods, with coverage under the Company's then-current directors' and officers' liability insurance policy, at the Company's expense.

(b) In addition to the insurance coverage provided for in paragraph (a) of this Section 10, the Company shall defend, hold harmless and

indemnify the Executive (and his heirs, personal representatives, executors and administrators) to the fullest extent permitted under applicable law, and subject to the requirements, limitations and specifications set forth in the Bylaws and other organizational documents of the Company, against all expenses and liabilities reasonably incurred by him in connection

with or arising out of any action, suit or proceeding in which he may be involved by reason of him having been an officer of the Company (whether or not he continues to be an officer at the time of incurring such expenses or liabilities), such expenses and liabilities to include, but not be limited to, judgments, court costs and attorneys' fees and the cost of reasonable settlements.

(c) In the event the Executive becomes a party, or is threatened to be made a party, to any action, suit or proceeding for which the Company has agreed to provide insurance coverage or indemnification under this Section 10, the Company shall, to the full extent permitted under applicable law, advance all expenses (including the reasonable attorneys' fees of the attorneys selected by the Company and approved by Executive for the representation of the Executive), judgments, fines and amounts paid in settlement (collectively "Expenses") incurred by the Executive in connection with the investigation, defense, settlement, or appeal of any threatened, pending or completed action, suit or proceeding, subject to receipt by the Company of a written undertaking from the Executive covenanting: (i) to reimburse the Company for all Expenses actually paid by the Company to or on behalf of the Executive in the event it shall be ultimately determined that the Executive is not entitled to indemnification by the Company for such Expenses; and (ii) to assign to the Company all rights of the Executive to insurance proceeds, under any policy of directors' and officers' liability insurance or otherwise, to the extent of the amount of Expenses actually paid by the Company to or on behalf of the Executive.

#### 11. GENERAL PROVISIONS.

(a) ENTIRE AGREEMENT; MODIFICATIONS. This Agreement constitutes the entire agreement between the parties respecting the subject matter hereof, and supersedes all prior negotiations, undertakings, agreements and arrangements with respect thereto, whether written or oral. Except as otherwise explicitly provided herein, this Agreement may not be amended or modified except by written agreement signed by the Executive, the Company and the Employer.

(b) ENFORCEMENT AND GOVERNING LAW. The provisions of this Agreement shall be regarded as divisible and separate; if any of said provisions should be declared invalid or unenforceable by a court of competent jurisdiction, the validity and enforceability of the remaining provisions shall not be affected thereby. This Agreement shall be construed and the legal relations of the parties hereto shall be determined in accordance with the laws of the State of Maryland as it constitutes the situs of the corporation and the employment hereunder, without reference to the law regarding conflicts of law.

(c) ARBITRATION. Except as provided in paragraph (b) of Section 6, any dispute or controversy arising under or in connection with this Agreement or the Executive's employment by the Employer shall be settled exclusively by arbitration, conducted by a single arbitrator sitting in Columbia, MD in accordance with the rules of the American Arbitration Association (the "AAA") then in effect. The arbitrator shall be

selected by the parties from a list of eleven (11) arbitrators provided by the AAA, provided that no arbitrator shall be related to or affiliated with either of the parties. No later than ten (10) days after the list of proposed arbitrators is received by the parties, the parties, or their respective representatives, shall meet at a mutually convenient location in Columbia, Maryland, or telephonically. At that meeting, the party who sought arbitration shall eliminate one (1) proposed arbitrator and then the other party shall eliminate one (1) proposed arbitrator. The parties shall continue to alternatively eliminate names from the list of proposed arbitrators in this manner until each party has eliminated five (5) proposed arbitrators. The remaining arbitrator shall arbitrate the dispute. Each party shall submit, in writing, the specific requested action or decision it wishes to take, or make, with respect to the matter in dispute, and the arbitrator shall be obligated to choose one (1) party's specific requested action or decision, without being permitted to effectuate any compromise or "new" position; provided, however, that the arbitrator is authorized to award amounts not in dispute during the pendency of any dispute or controversy arising under or in connection with this Agreement. All third-party costs of the arbitration proceeding, including, without limitation, the fees, costs and expenses of the arbitrator shall be shared equally by the parties; provided, however, that each party shall bear its own attorney's fees and costs and all other fees and costs that it incurs in representing itself and participating in the arbitration proceeding. Judgment may be entered on the arbitrator's award in any court having jurisdiction; including, if applicable, entry of a permanent injunction under paragraph (b) of Section 6.

(d) PRESS RELEASES AND PUBLIC DISCLOSURE. Any press release or other public communication by either the Executive or the Company or the Employer with any other person concerning the terms, conditions or circumstances of Executive's employment, or the termination of such employment, shall be subject to prior written approval of both the Executive and the Company, provided that the Company and the Employer shall be entitled to make requisite and appropriate public disclosure of the terms of this Agreement, the termination, the terms, conditions or circumstances of Executive's employment, the termination of such employment, or any other matters concerning the Executive without the Executive's consent or approval, as, and to the extent reasonably determined to be required under applicable statutes, and the rules and regulations of the Securities and Exchange Commission and the stock exchange on which the securities of the Company or its affiliate may from time to time be listed.

(e) WAIVER. No waiver by either party at any time of any breach by the other party of, or compliance with, any condition or provision of this Agreement to be performed by the other party, shall be deemed a waiver of any similar or dissimilar provisions or conditions at the same time or any prior or subsequent time.

(f) NOTICES. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, and shall be deemed given when so delivered in person, or if mailed, three (3) days after mailing (one (1) business day in the case of express mail or overnight courier service). Notices to the

Employer or the Company shall be addressed to the principal headquarters of the Company, Attention: Chief Executive Officer, or to such other address as the Employer or the Company shall have given to the Executive. Notices to the Executive shall be sent to the address set forth below the Executive's signature on this Agreement, or to such other address as the Executive shall have given to the Employer and the Company.

(g) SURVIVAL. The provisions of Section 4, to the extent the Executive's employment is terminated during the Term, Sections 5 and 6 and paragraphs (b), (c), (d) and (e) of Section 11 of this Agreement shall survive the termination of this Agreement and/or the termination of the Executive's employment.

(h) SECTION 409A.

(i) Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive's separation from service within the meaning of Section 409A of the Code, the Employer determines that the Executive is a 'specified employee' within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement on account of the Executive's separation from service would be considered deferred compensation subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (x) six months and one day after the Executive's separation from service, or (y) the Executive's death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during such period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(ii) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Employer or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year. Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(iii) To the extent that any payment or benefit described in this Agreement constitutes 'non-qualified deferred compensation' under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive's termination of employment, then such payments or benefits shall be payable only upon the Executive's 'separation from service.' The determination

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of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(iv) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(v) The Employer makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

"Executive"

/s/ Stephen E. Budorick  
Stephen E. Budorick

Address: 201 S. Elmwood Avenue  
Oak Park, Illinois 60302

"Employer"

Corporate Office Properties L.P., a Delaware limited partnership

By: Corporate Office Properties Trust, a Maryland real estate investment trust

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

"Company"

Corporate Office Properties Trust, a Maryland real estate investment trust

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

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 Columbia, Maryland 21046  
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 Facsimile 443-285-7650  
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 NYSE: OFC

NEWS RELEASE

FOR IMMEDIATE RELEASE

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**COPT ANNOUNCES CEO SUCCESSION AND APPOINTS NEW COO**

**COLUMBIA, MD September 16, 2011** — Corporate Office Properties Trust (COPT) (NYSE: OFC), a specialty office real estate investment trust (REIT) that focuses primarily on serving the specialized requirements of U.S. Government and Defense Information Technology tenants, announced today that Randall M. Griffin, Chief Executive Officer (CEO), will retire from his role as CEO at the end of March 2012. Roger A. Waesche, Jr., COPT's President and Chief Operating Officer (COO), has been elected CEO and as a member of the Board of Trustees, effective April 1, 2012. Mr. Griffin will transition his responsibilities over the next six months to Mr. Waesche, while maintaining his executive responsibilities for fiscal year 2011. Beginning April 1, 2012, Mr. Griffin will continue as a Trustee on COPT's Board and Mr. Waesche will serve as Trustee, President and CEO. Effective September 29, 2011, Stephen E. Budorick will join COPT as Executive Vice President (EVP) and COO, reporting to Mr. Waesche in his capacity as President, allowing for an effective transition of the COO responsibilities prior to April 2012.

"I have been the leader of this company and its predecessors for over 18 years, and have served as CEO and as a member of our Board since 2005," stated Mr. Griffin. "During those years, and with the help of many talented individuals, we have built one of the best performing office REITs in the industry, differentiated not only by our unique tenant niche, but also by our corporate culture of excellence, our outstanding customer service, and dedication to our communities. I am honored to remain active in COPT's future through my continued Board participation, but also look forward to devoting more time to personal pursuits," he stated.

Jay H. Shidler, Chairman of the Board, said: "On behalf of COPT's Board, I would like to thank Rand for the leadership and vision he has provided throughout his years of service. We look forward to his continued participation at the Board level. The Board is pleased with the culmination of a four-year succession process and is confident in Roger's ability to lead the company and continue its tradition of excellence."

Mr. Waesche has served as COPT's President and COO since September 2010, after holding the positions of EVP and COO since August 2006, and as COPT's Chief Financial Officer (CFO) from 1999-2006. Mr. Waesche has been with COPT and its predecessor companies since 1984.

"Roger and I have worked together since 1993," said Mr. Griffin. "During those years, he has served COPT effectively in a number of influential roles. I am confident that COPT will flourish under his guidance and leadership."

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"I am looking forward to taking on the additional responsibilities that accompany the CEO role and, in the meantime, working closely with Rand and the Board to assure a smooth transition," said Mr. Waesche. "I am confident that the talented team of managers and associates at COPT will successfully execute the strategic initiatives already announced and take other actions to enhance our market leadership position."

As COO, Mr. Budorick will report to Mr. Waesche and be responsible for leasing, asset management, property management, and government services. Mr. Budorick joins COPT from Callahan Capital Partners, LLC where he served as EVP of asset management since 2006. Prior to his tenure at Callahan Capital Partners, he was EVP in charge of Trizec Properties, Inc.'s Central Region from 1997-2006, and EVP in charge of third-party management and leasing at Miglin Beitler Management Company from 1991-1997. Mr. Budorick also worked in asset management at LaSalle Partners, Inc. from 1988-1991 and in facilities management and planning at American Hospital Association from 1983-1988. Mr. Budorick earned a B.S. in Industrial Engineering from the University of Illinois and an MBA from the University of Chicago.

"We are delighted to have Steve join the company," stated Mr. Waesche. "He brings a depth of industry and operations experience that mesh with COPT's high standards and expectations."

**Company Information**

Corporate Office Properties Trust (COPT) (NYSE: OFC) is a specialty office REIT that focuses primarily on strategic customer relationships and specialized tenant requirements in the U.S. Government and Defense Information Technology sectors and Data Centers serving such 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 strong markets that we believe possess growth opportunities. As of June 30, 2011, the Company owned 269 office properties totaling 21.4 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](http://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," "believe," "anticipate," "expect," "estimate," "plan" 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:*

- *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;*
- *the Company's ability to borrow on favorable terms;*

- risks of real estate acquisition and development activities, 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 or views of market economic conditions or failure to obtain development rights, either of which 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, including risks associated with the impact of a government shutdown such as a reduction in rental revenues or non-renewal of leases;
- the dilutive effect of issuing additional common shares; 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, 2010.*